

Weekend FINANCIAL TIMES

Weekend FT
*The drinks are
on Russia*

SECTION II

World Business Newspaper

US grants visa to president of IRA's political wing

US president Bill Clinton yesterday granted a three-month visa to Gerry Adams, president of the political wing of the anti-British Irish Republican Army. The move, against British government wishes, follows prime minister John Major's outburst on Thursday against the IRA's failure to renew its ceasefire. It is understood the Sinn Féin leader will not be allowed to raise funds while in the US for St Patrick's day celebrations on March 17, and will not visit the Whitehouse party to mark the Irish holiday. Page 22

Gorbachev to seek Russian presidency
Former Soviet leader Mikhail Gorbachev, who dismantled his country's totalitarian system, declared yesterday that he would run for Russian president in June. Though fated in the west, Mr Gorbachev is apparently loathed in Russia and seems to stand little chance of success. A recent opinion poll gave him just 1 per cent support among voters. Page 22

Threat to block MGC Germany's Social Democratic party threatened to block the country's ratification of measures arising from the Inter-governmental Conference on reuniting the European Union unless it agrees to job-boosting steps. Page 2

Athens demands envoy's recall Greece is asking Italy and the Netherlands to recall their military attaches after they were detained with documents which "could have been related to information on military installations". Page 2

Fokker on the brink Belgaarder Dutch aircraft maker Fokker was a stay of execution from bankruptcy after the Dutch government extended bridging credits for another 14 days. Page 5

US anger at Colombia Washington struck Colombia off its list of countries making progress against illegal drugs, which means the country will lose US aid and economic co-operation. Page 8

Tribunal charges officer The UN tribunal for former Yugoslavia charged Bosnian Serb general Djordje Djukic with war crimes related to bombardments of civilians in Sarajevo. Djukic was captured on January 30 and down to The Hague.

Persian crash kills 123 A Boeing 737 crashed in the Peruvian Andes, killing all 123 people aboard. The aircraft left Lima bound for Arequipa but crashed as it prepared to land in the southern city.

Normandy Mining of Australia becomes a candidate for takeover Minco, an offshore operating arm of South Africa's Anglo American Corporation, sold its 18.9 per cent stake - much of which was then acquired by Australia's Newcrest Mining. Page 5

US index improves slightly The US purchasing manager's index rose to 45.2 per cent last month from January's 44.2 per cent, showing the outlook for manufacturing is still troubled. Page 3

Belgian strike hits travel A one-day strike by two Belgian rail unions disrupted travel. The unions took action over plans, including job and pay cuts, aimed at making the railways profitable.

UK stocks surge amid oil hopes

FT-SE 100 index
Hourly movements
Open price 3,750
Close price 3,750
23 Feb 1996 1 Mar
Source: Reuters

Pure rocks Rock bands who perform regularly in Hanoi will have to pass a culture ministry purity test. The move is part of Vietnam's purge of political social vices and foreign influences.

Companies in this issue

British Airways	4 ICI
Capital & Western	6 Kvesmer
Carmills	6 Locker (Thomas)
Dawsongroup	6 Lotus
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Escom	5 Mercedes-Benz
Ferrari	4 Minorco
Fokker	5 Newcastle Mining
Formcase	5 Normandy Mining
Fujitsu	4 Regal Hotel
GWR	6 Reliance Security
Go-Ahead	6 Sherwin-Williams
Granada	5 Trafalgar House
Grow	5 Trenthamwood
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Weekend

Lunch with
Lisa Leeson

هذا من الأجمل

Sport on ice
at St Moritz

WEEKEND MARCH 2/MARCH 3 1996

Compaq shares fall over price-cut strategy

By Louise Kehoe
in San Francisco

Shares of Compaq Computer, the world's largest personal computer manufacturer, fell sharply yesterday after it said it would be forced to cut its prices to meet first-quarter sales targets.

The Compaq warning prompted a 16 per cent drop in its share price by mid-session in New York and sent shock waves through

the US high technology sector.

Mr Eckhard Pfeiffer, Compaq chief executive, said February sales had not met anticipated growth rates.

The company added that competition had intensified, particularly in the North American market for PC servers - powerful computers linked to networks of desktop machines.

The Compaq announcement

in demand for PCs. Compaq's shares were trading at \$42.50 at mid-session, down 88¢, while shares in Intel, the leading supplier of microprocessors to the PC industry, were down 83¢, at \$85.60. Dell Computer was down 82¢, at \$30.75.

Compaq insisted, however, that growth in the consumer and corporate segments of the PC market continued to be strong.

"This is not a demand issue," he suggested.

Further evidence of problems in the German PC market came yesterday from Escom, one of the leading German PC manufacturers. The company announced a

DM125m (\$85m) loss for 1995, blaming market conditions for its declining revenues and inventory write-offs. In the North American market, Compaq said its PC server business was coming under mounting pressure from top competitors. PC servers typically carry much higher profit margins than desktop or laptop

Continued on Page 22

Escom deficit, Page 5

Tokyo urges EU to match Asia's free trade moves

By Peter Montagnon,
Ted Backdecke and
John Kampner in Bangkok

Mr Ryutaro Hashimoto, Japan's prime minister, yesterday called on European leaders to open their markets to respond to the trade liberalisation process under way in the Asia-Pacific.

The Japanese leader's challenge, delivered at the European Union-Asia summit in Bangkok, echoed the growing fear among Asian nations that Europe would be a "free-rider" without market-opening measures of its own.

Countries in the Asia-Pacific Economic Co-operation forum (Apec), which also includes the US, have already agreed to free all their trade by 2020, even with nations outside the region.

A search for ways of meshing the Apec objective with separate and still informal efforts to improve Asia's trade and investment links with Europe has emerged as a main theme of the summit.

Despite Asian fears that the meeting would be dominated by rules over human rights, trade and security issues came to the fore. European leaders raised human rights issues privately with China and other Asian

countries but, as expected, kept them out of group sessions.

The summit rejected a formal Apec-style timetable for trade liberalisation between Asia and Europe. Instead, leaders focused on the need to work through the World Trade Organisation.

EU officials said Europe did much to open its markets to the outside world under its 1992 single market programme. But they acknowledged privately that if Apec moves far ahead of Europe, they might have to consider further measures of their own.

Sir Leon Brittan, EU trade commissioner, said he was pleased the summit would agree to detailed follow-up measures, which will be part of a communiqué today and are expected to include a meeting of officials to prepare a strong agenda for the WTO ministerial meeting in Singapore in December.

But Europe has had less success in persuading Asia to consider more liberal rules on foreign investment. Though Thailand has proposed an "action plan" on investment, its definition remains unclear.

Many Asian countries still prefer voluntary action to attract investment rather than allow rules preventing discrimination

against foreign companies to be imposed on them from outside.

"We get the impression that this [rule-based system] is an unbalanced approach with all freedoms being given to the investing country but no corresponding freedoms for the receiving country," said Mr Ali Alatas, Indonesian foreign minister.

In further contrast with the Apec process, the summit stressed the importance of co-operation on security. As a gesture, Europe yesterday confirmed its Ecu5m (£6.25m) contribution to the international consortium providing North Korea with safe nuclear reactors for power generation. In return, it is seeking further contributions from Asia for reconstruction in former Yugoslavia.

At today's closing session, Mr John Major, the UK prime minister, will praise Asia's "dynamism and entrepreneurial spirit" - a hallmark of many of his domestic speeches which have sought to contrast the high growth rates of "Asian tigers" with EU labour directives such as the social chapter.

British officials said they and most EU partners had no concerns about the communiqué's wording on human rights.

Madrid stock market climbs to two-year high



Rallying support: Felipe Gonzalez waves to supporters at the end of his campaign rally in Barcelona's Olympic stadium

Photo: Reuters

Investors poised for poll win by Spanish opposition

By David White and
Tom Burns in Madrid

Madrid's stock market reached a two-year high yesterday in anticipation of a general election victory by the centre-right Popular party tomorrow.

However, investors were waiting to see whether the PP, bidding to end the Socialist administration's 13-year rule, would win enough seats to be able to govern alone and push through plans to liberalise the economy and cut the state deficit.

"We are waiting to move," said one London trader as the Madrid stock market index edged up 0.32 points to 345.87, its highest level since early 1994. The markets are looking for a clear result, which they believe would prompt a rapid cut in interest rates.

Leaders of Spain's political parties last night sought to muster last-minute support for the elections, widely expected to bring the PP to power for the first time.

A tense campaign, twice interrupted last month by terrorist killings by the Basque ETA organisation, came to a halt at midnight after final meetings staged

Continued on Page 22

Exhibition of democracy, Page 9

Japanese business confidence at highest level for four years

By William Dawkins in Tokyo

Japanese companies are at their most confident for four years, according to a central bank survey, heightening speculation that interest rates may be increased.

However, other figures released yesterday pointed to only a moderate recovery in the country's economy.

The latest Bank of Japan quarterly corporate confidence index - which measures the balance between those reporting better and worse business conditions - produced a score of minus 12 per cent among manufacturing companies last month, a slight improvement on minus 14 per cent in the previous poll in November.

Business sentiment has been

on a gentle rise since early 1994, interrupted by a downward jolt in the middle of last year when the dollar fell to just under Y100, a level widely thought to be beyond Japanese exporters' ability to compete internationally.

The central bank report, known as the Tankan survey, is the most comprehensive guide to Japan's short-term economic outlook and is an important influence on monetary policy.

Tokyo economists are speculating that the central bank might take those results, the latest in a series of pointers to recovery, as a signal to tighten its unprecedentedly loose monetary stance over the next few months.

In anticipation, long-term interest rates have risen recently. But BOJ and Finance Ministry offi-

cials stress that they wish to stabilise the financial system's problems before considering any change in monetary stance.

To add to policymakers' caution, yesterday's Tankan survey confirmed that the recovery is still gradual. Big manufacturers expect sales to rise by 2.1 per cent in the financial year to March 1997, the third year of increase, after 1.5 per cent in the current year.

The balance of service sector companies to report better conditions improved from minus 23 per cent to minus 18 per cent, rather less cheerful than manufacturers. Small manufacturing businesses saw a larger improvement, from minus 30 per cent to

Continued on Page 22

STOCK MARKET INDICES

■ US LUNCHTIME RATES	■ STERLING	■ DOLLAR
Federal Funds 3.91%	5.4%	1.477
FTSE Eurotrack 100	4.87%	5.0695
FT-SE All-Share 1,980.7	1,980.7	1,980.7
Nikkei 20,160.03	20,160.03	20,160.03
New York Amex		
Dow Jones Ind Av. 5,604.41	5,604.41	1,475.00
S & P Composite 940.81	940.81	1,468.77
■ LONDON MONEY		
3-mo Interbank 8.1%	8.1%	5.0574
Long-term gvt fut., Mar 1992 (Mar105.2)	105.2	15.0363
London		
	330.3	400.50

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NEWS: INTERNATIONAL

Bonn opposition party demands European Union conference take up issue of high unemployment

German SPD threatens to block IGC

By Peter Norman in Bonn

Germany's opposition Social Democratic party yesterday threatened to block German ratification of measures arising from the Inter-Governmental Conference to reform the European Union unless it agrees steps to boost employment or takes steps towards a "social union" in Europe.

The SPD said social and employment policies must be the highest priority of the IGC

- which begins in Turin at the end of this month - in view of mass unemployment affecting nearly 20m people in the EU.

"That means there must be last agreements on employment policy and the European Social Union," said Ms Heide-marie Wieczorek-Zeul, the SPD's European policy spokeswoman, and Ms Ursula Engen-Kofer, deputy head of the German Trade Union Federation and an SPD leader.

The SPD called for "binding

rules" on economic, employment and finance policy to be added to the Maastricht treaty to make possible a "European alliance for jobs". It said the treaty should be changed to allow more qualified majority voting on social issues leading to a European decision on minimum social standards.

At a press conference to explain the party's new stance on the IGC, Ms Wieczorek-Zeul said that in the absence of social and employment mea-

sures the SPD would refuse to allow ratification of other changes arising from the IGC negotiations in the Bundestag, the lower house of parliament. As measures involving transfer of power to the EU require a two thirds majority in the Bundestag, the SPD can in effect block measures agreed at the IGC and veto further progress in the EU.

The SPD's statements mark a further weakening of Germany's traditional bi-partisan

approach to EU affairs. Since last year SPD leaders have been expressing doubts about economic and monetary union.

The Bonn government has so far sought a relatively lean agenda for the IGC, arguing that to press for decisions on too many issues would cause the conference to become hopelessly bogged down.

Germany hopes to achieve progress towards a common foreign and security policy; greater co-operation in internal

affairs such as dealing with asylum seekers, migration and combatting organised crime and drug trafficking; reform of EU institutions to make decision-making more effective; and greater transparency in EU affairs to increase support for Europe among voters.

Although Chancellor Helmut Kohl has made unemployment the government's overriding domestic policy goal, he is unlikely to welcome the SPD's IGC threat.

Turkish right close to a coalition pact

By John Barham in Ankara

Turkey's two rival conservative leaders said last night they were close to forming a coalition government, but a "few small differences" remained to be settled before they could sign an agreement.

Mrs Tansu Ciller, caretaker prime minister and head of the True Path party, said: "We hope to announce the coalition's framework and outlines on Sunday. We have overcome important stages in the coalition." Mr Mesut Yilmaz of the opposition Motherland party added that "only details" remained to be settled. The outcome of the talks was extremely positive.

Mr Yilmaz said he expected final agreement by tomorrow. Mrs Ciller said both parties would approve the coalition next week, allowing them to sign the new governments programme formally in the middle of the week.

Previously the two leaders had each demanded that they lead the coalition first before handing over the premiership to the other after a year. They also quarrelled over the powerful economic ministries. Disagreement over these points blocked two previous attempts at forming a coalition since inconclusive elections in December gave no party a mandate to rule. The Islamist Welfare party won the most seats in parliament, but failed to clinch a coalition deal with

Mrs Ciller, apparently pressure from business, the media and the politically powerful military, has agreed to cede the premiership to Mr Yilmaz before taking over again in 1997 for two years, after which Mr Yilmaz would resume as prime minister for another year. A neutral figure would lead the coalition in its final, fifth year. The two parties have also reportedly agreed on how to divide the economic portfolios.

Although business welcomes the coalition, some in the Istanbul business world still question its ability to govern effectively. Mr Erol Sabanci, head of Akbank, Turkey's biggest private bank, said yesterday: "I worry that this government cannot tackle problems adequately. If there are two voices in management it is not easy to make decisions."

Another senior banker said he feared political infighting would interfere with managing the economy: "If one party controls the central bank and the other has the treasury they could do a lot of damage if they don't learn to co-operate."

Mr Sabanci says he is reconciled to a continuation of Turkey's high inflation and big budget deficits, and expects poverty to worsen. He says new elections should be called in three to six months in the hope that voters would return a strong centre-right government.



General Djukic greets a member of his defence team at The Hague tribunal yesterday

Serb general indicted by war crimes tribunal

By Laura Silber in The Hague

A Bosnian Serb officer, General Djordje Djukic, was yesterday indicted by the international tribunal on war crimes in the former Yugoslavia for shelling civilians in Sarajevo.

The case is the most crucial test for the The Hague war crimes tribunal since it was founded three years ago.

General Djukic, 61 next week, has been held in custody with Bosnian Serb Colonel Aleksa Krstmanovic since February 12 after being extradited from Sarajevo. The two officers were seized by Moslem-led Bosnian government police on January 30 after they took a wrong turn near Sarajevo.

Chief prosecutor Richard Goldstone said he was satisfied there was enough evidence to justify indicting General Djukic. The general's lawyers had demanded his release and insisted that he would refuse to co-operate with the tribunal.

Mr Goldstone said Gen Djukic was logistics assistant to Bosnian Serb General Ratko Mladic, who is charged with war crimes in the former Yugoslavia for shelling civilians in Sarajevo.

Previously he was the Yugoslav army officer in charge of logistics in Bosnia and remained allegedly close to the Serbian leadership, who sponsored the Bosnian Serbs.

Prosecutors are now investigating whether he was involved in procuring buses used to transport Moslems from Srebrenica, where Serb soldiers are believed to have killed up to 8,000 Moslem men, or in the transport by rail of Moslems and Croats to Bosnian Serb detention camps.

The tribunal said a detention order on Colonel Krstmanovic had been extended for a month until April 3. Col Krstmanovic has not been indicted but is being held as a possible war crimes suspect and witness.

The case has raised fears among western governments

that, in the short term, the prosecution of war criminals - in particular the top leadership - will upset the hard-won Dayton peace agreement. The Bosnian Serb military last month severed all links with the Nato-led Implementation Force (Ifor) for two weeks in protest against the "kidnapping" of Gen Djukic.

The tribunal has now indicted 53 people, all but seven of them Serbs. Of the 53, only Gen Djukic and one other Serb, Mr Dusan Tadic, are in the tribunal's custody.

Mr Radovan Karadzic, Bosnian Serb chief, and General Mladic, military commander, were indicted last July but western ambivalence towards the tribunal is illustrated by the reluctance of Ifor to arrest the two men. Indeed, Mr Karadzic this week travelled across Bosnia to Banja Luka, the north-western Serb city, where he was even in a building guarded by Ifor.

Goldstone interview. Weekend FT, Page XX

Ukraine to speed state sell-offs

By Matthew Kaminski in Kiev

Ukraine plans to speed up the privatisation of nearly 400 companies and sell four large state enterprises by international tender, the state property fund announced yesterday.

The move is intended to highlight the government's commitment to privatisation, which was severely criticised by market reformers last year. The sell-offs could unlock more foreign aid and investment.

In a voucher auction, 320 medium and large companies will be offered, more than at any time since the programme was launched a year ago. Another 53 are to be sold for cash through the stock exchange.

The pace of mass privatisation picked up late last year, as 347 of 565 companies sold in 1995 went in the last quarter. The government, pressed by disappointed western donors, delayed enterprise price tags, improved incentives for management and streamlined regulations in order to get the effort off the ground.

It also has sought to sidestep parliament, dominated by communists opposed to privatisation, by using cabinet or presidential decrees rather than legislation.

The state property fund said 817 more companies had been prepared for sale.

Mr Leonid Kuchma, Ukraine's president, said last year Ukraine would sell 5,000 large enterprises and complete privatisation of small companies in 1996, but he never gave the programme enough political backing.

However, in a recent speech he again declared his political support for the state property fund, Ukraine's privatisation agency, which is often entangled in turf battles with reluctant local government officials.

Small-scale privatisation is now supposed to be finished by the middle of the year.

The World Bank has demanded Ukraine accelerate privatisation before receiving about \$300m of loans. Privatisation receipts are critical to keeping the tight revenue and expenditure targets in the draft 1996 budget.

INTERNATIONAL NEWS DIGEST

Athens demands attachés' recall

Greece said yesterday it had asked Italy and the Netherlands, its Nato partners, to recall their military attachés after they were briefly detained in January on the eastern Aegean island of Lesbos. A government statement said notes belonging to them were found "which could have related to information about military installations".

The announcement followed a question in parliament by a deputy from the governing Socialist party, who said the attachés were arrested on January 27, two days before Greece and Turkey came to the brink of war over two Aegean islets. Diplomats said it was unprecedented for a Nato partner to expel a military attaché from another alliance member-state. The tense climate in the Aegean has made Greece sensitive about fortifications in islands close to Turkey, where several thousand Greek troops are stationed.

Kerin Hope, Athens

Property setback for Bonn

Chancellor Helmut Kohl's governing Christian Democrats yesterday suffered a setback after the Bundesrat, or upper house, threw out a draft law which would have given former owners of property along the Berlin Wall the right to restitution, provided they paid 25 per cent of the current market value to get their land back.

Instead, the SPD, which dominates the Bundesrat, said former owners should not have to pay anything at all, a move which will delight former owners particularly east Germans who cannot afford to pay for land which was built before the wall was built in 1961. It will, however, prolong a six-year dispute which has plagued investors and divided the nation. The case will now be referred to an arbitration committee of the two parliamentary chambers.

Judy Dempsey, Berlin

Germany to outlaw army taunts

Germany's ruling coalition yesterday approved a draft bill which would punish pacifists who taunted the army. The bill is a response to conservative outrage at a series of court decisions endorsing the right of anti-war protesters to use the slogan Soldiers are Murderers, coined in the 1920s by left-wing satirist Kurt Tucholsky. The government is also keen to boost the army's status. Under the bill, those who insult the army will be fined or jailed for up to three years.

Reuter, Bonn

Caracas delays IMF talks

Political turmoil in the Venezuelan Congress has forced Caracas to postpone negotiations with the International Monetary Fund over a standby agreement. Mr Luis Matos Azocar, minister of finance, said the talks had been put off by "a couple of days" until the situation in Congress had been clarified.

Indications of a shift in party alliances ahead of today's elections for the president of Congress threatened the government's majority and its negotiating basis with the IMF. MAS, the socialist party, is considering withdrawing support from the government to join an alliance of opposition parties in exchange for the top congressional post.

Mr Matos Azocar said the government depended on congressional support to approve tax bills that would help reduce the budget deficit. The postponement of the IMF talks coincides with fading hopes that Venezuela will soon reach a standby agreement over \$8bn.

Raymond Collier, Caracas

Warning on Russian trade curbs

The European Commission yesterday warned Russia that a future EU-Russia free trade pact and membership of the World Trade Organisation would be in jeopardy if Moscow put tariffs on a range of imports. Moscow wants to become a member of the WTO, but is under growing pressure ahead of presidential elections in June to defend its vulnerable industrial base with more protectionist economic policies. Mr Vladimir Pankov, finance minister, has said he wants to raise import tariffs on a range of goods from alcohol to cars by an average of 20 per cent. Mr Hans van den Broek (above), EU foreign affairs commissioner, plans to discuss the issue during a visit to Moscow on March 18-19.

Hyundai plans \$6bn chip plants

Hyundai Electronics plans to spend \$6.6bn on four overseas semiconductor plants by the end of the decade, according to Mr Chung Mong-hun, the South Korean company's chairman. The new facilities in the US, Europe and south-east Asia are part of a \$10.7bn foreign investment programme. Two of the plants will be located in the US, including a \$1.3bn facility in Eugene, Oregon to produce memory chips and a \$2bn facility to manufacture wafers.

The \$1.3bn European plant, which Mr Chung said was likely to be located in the UK, will produce memory chips, while the \$2bn south-east Asian facility will manufacture wafers.

Hyundai will also invest \$300m to expand the production of hard disk drives in China and Singapore, while spending \$1bn to begin the overseas assembly of hard disk drive heads and other components following its 1994 purchase of Maxtor, a US hard disk drive maker.

John Burton, Seoul

Solar power for drink dispensers

Japan's environment agency yesterday reached an agreement to replace 10 per cent of the nation's soft drink vending machines with models powered by solar batteries. The accord reached between the agency and domestic vending machine makers called for the introduction of about 193,000 new machines within seven years, officials at the agency said.

According to the agency, Japan had 4.1m vending machines at the end of 1993, with 1.93m selling soft drinks.

Kyodo, Tokyo

The Financial Times plans to publish a Survey on

Slovenia

on Thursday, March 14.

The survey will discuss Slovenia's political stability and developments in that area; also its rapidly improving infrastructure. Other articles will include the economy, trade, banking and finance and industry.

Islam was rejected because it would mean abstention from alcohol: in the words of Prince Vladimir, "drinking is the joy of Rus, we cannot live without it." Eastern Christianity was finally adopted, in acknowledgement of the breathtaking beauty of services in Byzantium - the second Rome - in 988 after theirenvys had investigated several religions.

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Islam was rejected because it would mean abstention from alcohol: in the words of Prince

Colombia faces US sanctions over drugs

By Nancy Dunne
in Washington

The US yesterday removed Colombia from its list of countries making progress against illegal drug trafficking, thereby triggering economic sanctions from Washington.

Mexico remained on the list, in spite of being a possible candidate for removal, after agreeing to introduce legislation to combat money laundering and other financial crimes.

The controversial list, a provision in the Foreign Assistance Act, is released every March 1 as a tool to stem the supply of narcotics to the US, but it is highly resented abroad, where governments complain that the US - the world's leading consumer of illegal drugs - should be concentrating its efforts on suppressing demand.

However, governments make great

efforts to avoid being "decertified", so the process is still seen as a motivating force by many US officials, who credit it with having helped in the fight against Colombia's Cali cartel.

Colombia's failure to be "certified" means a loss of US aid - apart from anti-drug assistance - and all US Export-Import Bank financing, and American US opposition to loans from multilateral lending institutions such as the World Bank.

While Colombia receives little direct US aid, US opposition in the development banks may slow or stop new loans being approved. About \$50m of such loans are up for possible approval this year. US trade sanctions, such as a lifting of trade preferences worth an estimated \$100m a year, are possible but not mandatory.

Last year Colombia was placed in an intermediate category by the US, which meant economic sanctions

were waived on the grounds of vital national interests.

Mr Clinton also ruled that Afghanistan, Burma, Iran, Nigeria and Syria were not co-operating. All had received a similar finding last year.

Mr Robert Gelbard, the assistant secretary of state who runs the state department's counter-narcotics bureau, said that, in a change from last year, Mr Clinton certified Peru and Bolivia as fully co-operating with anti-drug efforts. The efforts of Lebanon, Paraguay and Pakistan were found wanting but they were exempted from sanctions for national security reasons, Mr Gelbard said.

Mexico is currently getting special attention. In a report released yesterday by the state department, Mexico was identified as the principal transit route from South America for cocaine entering the US as well as an important source for heroin, methamphetamines and marijuana. Last week Mexico sent a team to negotiate with the state department in a last-ditch effort to remain on the list.

"Drug traffickers used their vast wealth to corrupt police and judicial officials as well as project their influence into the political sector, as recent Mexican investigations have revealed," the report said.

However, Mexico made some gains. It stepped up its illegal crop eradication, and made significant arrests, including Raul Salinas, brother of former President Carlos Salinas, and 11 key members of the Gulf cartel.

The state department said Colombia remained the world's leading producer and distributor of cocaine and a big supplier of heroin and marijuana. It said the government of President Ernesto Samper, who has been charged with receiving more than \$5m in Cali cartel funds to finance his campaign, lacked "commitment" in support of its law enforcement entities.

Sarita Kendall adds from Bogota: Colombian business leaders said the US government decision to decertify the country was a grave blow to its international standing, but that immediate measures, such as stopping US non-drug related aid and the US vote against Colombia in multilateral financing organisations, would have little effect on the relatively strong economy. However, the possibility of trade sanctions being applied at a later date was a much more serious threat.

Mr Rodrigo Lloreda, a former foreign minister, said decertification represented a moral sanction against Colombia and that the political crisis generated by drug funding of the presidential election campaign had influenced the US decision.

Israelis spurn Hamas offer to halt bombings

By Mark Dennis in Jerusalem

Israel yesterday rejected a truce offer by the Palestinian Islamic group Hamas, a day after it pledged to halt suicide bomb attacks if Israel met a series of conditions.

Mr Ehud Barak, Israeli foreign minister, said Israel would not negotiate with Hamas, reiterating government policy that the Palestinian Authority of Mr Yassir Arafat must deal with the militant organisation.

"There is no room for negotiations with terror cells inside the area of the Palestinian Authority because we then exempt the Palestinian Authority from its main responsibility," Mr Barak told Israel Radio yesterday.

Hamas said that if the offer, which demanded a halt of Israeli "aggression" against Palestinians and the release of Hamas prisoners, was not accepted by March 8, attacks on civilians would continue. It called Mr Barak's rejection "foolish" and said the offer still stood.

Hamas's secretive military wing, the Izzadin al-Qassam, claimed responsibility for two suicide bombings last Sunday which killed 25 people. The attacks have shaken popular support for the government of the prime minister, Mr Shimon Peres, at the outset of a three-month campaign leading to the May 29 general election.

Opinion poll results released yesterday showed that a resurgent Mr Benjamin Netanyahu, the opposition Likud leader, would run almost level with Mr Peres if he were to conclude a deal with a prominent rival who split from the Likud party last year to form his own party.

In the aftermath of November's assassination of Mr Yitzhak Rabin, Mr Netanyahu had trailed Mr Peres by up to 17 points.

Mr Netanyahu - who is on the verge of creating a formidable rightwing block with the Geshet party of Mr David Levy, the Likud dissenter, and the ultra-nationalist Tzomet party - promises to curtail the peace process if elected.

Hamas's military wing has made other true offers in the past, which have also been rejected by Israel. But Thursday's leaflet was also signed by the political wing, an unprecedented link, according to observers.

Hamas said it would suspend attacks against Israeli civilians if Israel "halts its organised terror against Hamas and its Izzadin al-Qassam units and if Israel ends its aggression against Palestinian civilians on conquered lands and releases all Hamas prisoners".

The Palestinian Authority, which arrested more than 200 Hamas activists after Sunday's attacks, welcomed the offer.



Ryutaro Hashimoto of Japan, Germany's Helmut Kohl and China's Li Peng join hands at yesterday's summit opening

EU-Asia summit meeting gets under way in Bangkok

Korean OECD bid given boost

By Peter Montagnon
in Bangkok

Europe and South Korea signed a political and economic co-operation agreement on the margins of the EU-Asia summit in Bangkok that should assist Korea's application to join the Organisation for Economic Co-operation and Development.

The agreement commits Korea to open its markets in areas such as financial services, long an objective of its industrial country partners. It also calls for fair competition in shipbuilding, another sector of interest to the OECD.

European officials say the agreement is more substantive than those the EU has with other countries. The EU had leverage in its negotiations, they add, because of Korea's OECD application.

To join the OECD, Korea will still have to do more to liberalise its capital flows and foreign investment rules, particularly in telecommunications, where foreign ownership is limited to 33 per cent.

In bilateral meetings in Thailand, the European Commission has also been pressing South Korea "very hard" for a bigger commitment in telecommunications liberalisation in the World Trade Organisation discussions.

But "we are moving forward," said one European official. Despite widespread fears of a delay, there is a chance Korea's OECD application may be successfully concluded on schedule this year.

Under the EU-Korea agree-

ment both sides are committed to abstain from discrimination in improving access to their domestic markets. This will prevent Europe from being cut out of bilateral agreements with third parties, such as Korea's deal with the US on patent protection in the late 1980s, which gave benefits to the US that were initially denied to Europe.

The deal should also help ease tension on shipbuilding, where Korea's insistence on increasing its capacity has created what the Commission calls "severe structural disequilibrium".

The agreement binds the two sides not to support their own shipbuilding industries in a way which would distort competition, or bail them out in the event of future difficulties.

South Korea has also promised to phase out by 1998 its rules requiring Korean ships to carry certain bulk cargoes. It also promises to enforce measures effectively to protect intellectual, industrial and commercial property rights.

Portugal has neatly sidestepped an embarrassing row with Indonesia by making a new bid at the Asia/Europe summit to break the impasse over the disputed territory of East Timor.

The Portuguese prime minister, Mr Antonio Guterres, proposed the two countries, which have no diplomatic ties, exchange diplomats to be located in "friendly embassies" if Indonesia makes a goodwill gesture by freeing East Timor's resistance leader Xanana Gusmão and other dissidents.

Cuba embargoes spark protests

By Bernard Simon in Toronto, Daniel Dombovy in Mexico City and David White in Madrid

Canada has objected strongly to proposed US legislation aimed at penalising foreign companies doing business with Cuba. Mr Arthur Eggleton, Canada's trade minister, is expected to raise Ottawa's concerns at meetings tomorrow and on Monday with Mr Mickey Kantor, the US trade representative. The Canadian ambassador in Washington has written to several members of Congress seeking support.

The Canadian protests reflect concern among several other countries, including Mexico and Spain, that the US

legislation, known as the Helms-Burton bill after its congressional sponsors, would improperly interfere with their trade and investment interests in Cuba. Ottawa also claims that parts of the bill violate the North American free trade agreement (Nafta) between the US, Canada and Mexico.

The bill, which is expected to be passed by Congress and signed by President Bill Clinton next week, would tighten US sanctions against Havana in retaliation for the recent downing of two US light aircraft off the Cuban coast.

"It's one thing for the US to take action against Cuba," one official said. "It's another for them to take action against Canadian companies."

In Mexico, Mr Miguel Angel

González Félix, a legal affairs adviser to the foreign ministry, said this week that, if passed, the Helms-Burton bill would become a "source of tensions" because of what he said were US attempts to legislate outside its territory.

Mexico has annual exports of about \$350m to Cuba, and is also one of the chief investors in the country. Cuba was Mexico's fourth biggest export market in 1995.

In Spain, investors adopted a wait-and-see attitude towards the US legislation moves. The Sol hotel group, one of several Spanish concerns active in the tourism sector, said it would carry on with its projects for the time being.

Another provision would bar executives of companies doing business in Cuba from entering the US. Canada says that this would violate Nafta's guarantee of free movement between the US, Canada and Mexico.

Canada's commercial links with Cuba have grown markedly in recent years. Two-way trade totalled C\$955m (\$432m) last year. Canadian companies are among the most prominent foreign investors, with interests ranging from mining and hotels to a pizza chain.

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"State-owned enterprises will only be allowed to get involved in futures hedging activities relevant to their production," said the State Council notice. "They are forbidden from getting involved in either speculation or market manipulation."

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China has witnessed spectacular surges in futures prices for various commodities in the past year or so as speculators have targeted particular items, including plywood and red beans. The State Council notice indicated that China wished to support legitimate hedging activities by state companies, and said it would soon relax restrictions on futures trading on "some staple products in its leading futures exchanges".

China tightens commodity trading

By Tony Walker in Beijing

China has narrowed futures trading by state enterprises, to commodities relevant to their own production, in tough new regulations aimed at calming speculation on the country's fledgling exchanges.

At the same time all financial institutions, including banks and co-operatives, are to be banned from commodities futures trading. They are obliged to unwind their trading positions within 40 trading days from March 4.

The regulations, issued by the State

Council, or cabinet, are the latest in a series of measures aimed at bringing order to China's chaotic commodities markets. The authorities had previously banned trading in some 19 commodities in an effort to curb speculation.

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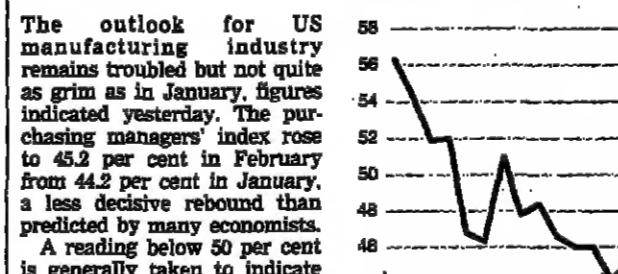
This is not too surprising. Even in Sydney, the biggest magnet for Asian immigrants, only about 85 per cent of the population is "Asian-born". It has taken three or four decades for the earlier wave of European immigrants - Italian and

Greek - to win significant representation in the federal parliament, although this now stretches up to ministerial level.

Mr Nguyen, though, believes he is a forerunner of more Asian involvement in Australian politics. "In the Asian community, a lot of people are

US index hints at lifting gloom

By Michael Prowse
in Washington



cent in January. The figures follow tentative signs this week that economic conditions are improving modestly. Consumer confidence rebounded from 44.2 per cent in February to 45.2 per cent in January, a less decisive rebound than predicted by many economists.

A reading below 50 per cent is generally taken to indicate contraction in manufacturing industry. A reading below 44.5 per cent - as occurred in January - indicates contraction of the whole economy. This year, however, the January figure may have been depressed by severe winter storms on the east coast.

The index has been below 50 per cent for the past seven months, reflecting the efforts of US companies to bring excessive levels of inventories into line with slower growth of demand. This has involved cuts in production and employment in manufacturing.

Purchasing managers said the most encouraging aspect of the report was an increase in an index measuring new orders to 44.7 per cent from 41.6 per

cent in January. The figures follow tentative signs this week that economic conditions are improving modestly. Consumer confidence rebounded from 44.2 per cent in February to 45.2 per cent in January, a less decisive rebound than expected.

Hoped the Federal Reserve will cut short-term interest rates again at its policy meeting next month have faded, however, reflecting the stronger tone of the data and larger than expected increases in consumer and producer prices.

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NEWS: UK

Fujitsu delays \$1.25bn semiconductor growth

By Alan Cane in London and
Chris Tighe in Newcastle upon Tyne

Fujitsu, the Japanese electronics company, is delaying by at least six months a planned £816m (\$1.25bn) expansion at its semiconductor plant at Newton Aycliffe in north-east England. The company said last September it would build a memory-chip-making facility to be completed next year creating 500 jobs. Yesterday it said construction would

be delayed until late 1996 with completion expected in early 1998. The level of investment, however, would be at least as high as promised.

The company said it had taken a strategic decision to leapfrog current technologies and move directly to the most advanced memory chips, 64mbit SD-Rams. "This move will propel the Durham [north-east England] plant to the forefront of volume memory device production," it said.

Analysts said yesterday that the company's decision represented an intelligent response to problems in the memory chip market in which

prices have fallen steeply because of uncertainty over demand for personal computers. Other manufacturers have closed chip production units or plan to do so.

Mr Joe D'Elia, semiconductor analyst for the technology consultancy Dataquest, said that in two years there would be strong demand for 64mbit SD-Rams which would command premium prices.

SD-Rams, which operate much more quickly than conventional DRAMS, would be needed to match the speed of the microprocessors which would be available then. Meanwhile Fujitsu

intends to increase production of 16mbit DRAMS in Newton Aycliffe to supply the European market.

The company has already invested £400m at the Newton Aycliffe site. The expansion announced last year was expected to make the site the UK's biggest single inward investment in recent years.

The investment decision confirmed north-east England, which Siemens also chose in 1995 for a £1.16bn microchip investment, as an emerging European location for semiconductor manufacture.

Yesterday Fujitsu said news of the

change in its strategy, announced to the Newton Aycliffe workforce during the morning, was good news for the site. Overall investment there, it said, was now likely to be bigger. "It maintains this plant at the high-technology end of the industry," said the company.

The news, added the company, further upgrades the products and status of the Newton Aycliffe plant, which in 1994 was designated best Fujitsu factory worldwide.

"The delay is a little bit disappointing, but it's well worth it," the company said.

UK NEWS DIGEST

Toll protesters invoke ancient law

The Act of Union between England and Scotland was invoked in court yesterday by an advocate who argued that tolls on the bridge to the island of Skye were illegal under the 16th century legislation. Mr Neil Murray, defending 78 people accused of not paying their toll on the privately financed bridge, said the charges violated two clauses of the 1707 Treaty of Union and were thus invalid.

The clauses, he said, guaranteed full freedom of trade and navigation throughout the two kingdoms, and ensured uniformity of legislation in Scotland and England. Some 73 people crowded into Dingwall Sheriff Court in northern Scotland charged with refusing to pay the tolls on the bridge which opened in October. The tolls are levied by the Skye Bridge company, a consortium of Miller Group of Edinburgh, Dywidag of Munich and Bank of America, which won a concession to construct the £250m (\$382.5m) bridge and recoup the cost through tolls for up to 27 years.

James Burton, Edinburgh

Russia expels businessman

Mr Nigel Shakespeare, a Moscow-based businessman, has achieved the rare distinction of being expelled from Russia for a second time because of "activities incompatible with his status" - a phrase normally regarded as diplomatic shorthand for alleged spying. The British Embassy has asked the Russian authorities to explain why Mr Shakespeare was yesterday stripped of his visa at Moscow airport and put on a flight to England after returning from a business trip from Almaty, capital of Kazakhstan.

"We do not understand why this happened and we are asking the Russians to elucidate," a British embassy official said. Mr Shakespeare returned to Russia in 1992 to join Price Waterhouse, the international auditing and consulting firm. But for the past two months he has worked for Gorandel Trading, a joint-venture commercial security company. In 1989, while working as assistant military attaché at the British embassy, Mr Shakespeare was expelled together with 10 other Britons amid spying allegations. The move followed the expulsion of 11 Soviet diplomats and journalists working in London at the time.

John Thornhill, Moscow

Engine maker rethinks closure

Cummins, the US diesel engine manufacturer, has given in to strong pressure from the British government and agreed to a partial reprieve for its plant at Shotts in Scotland. The plant had been due to close by the end of the year as part of a worldwide rationalisation, with the loss of 700 jobs. Some 180 jobs will be preserved at the plant, declining to 60 over the next two years. But 500 people will still lose their jobs by midsummer.

Cummins will also investigate the possibility of setting up an independent machine shop business at its factory which could provide 80 jobs.

James Burton

Museum to get millennium cash

The British Museum in London is to get up to £20m (\$46.9m) from the Millennium Commission to renovate and provide a glass roof for the Great Court at the heart of the building. The inner court was part of the original museum building and the provision of funds from the National Lottery will enable the area to be opened up to the public for the first time in 150 years. Ms Jennifer Page, chief executive of the Millennium Commission, said the glass roof by architect Sir Norman Foster would create an indoor plaza "where people would be able to enjoy themselves close to one of the world's greatest cultural resources".

The existing Reading Room at the museum will also be turned into an Information Centre and new galleries will be created to display the African collections. The Millennium Commission receives 20 per cent of the net proceeds of the National Lottery.

Raymond Snoddy, London

Small airline attacks BA

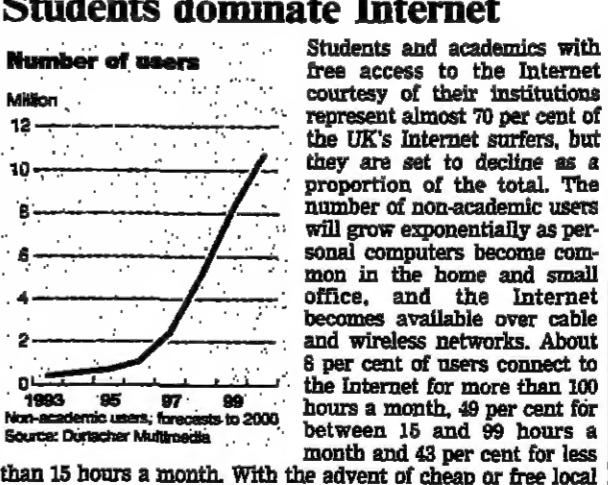
British Mediterranean Airways, a small independent carrier, has complained to the European Commission that British Airways has provided misleading information about flights on which the two airlines compete.

British Mediterranean, which flies to Beirut and Damascus says BA's computer reservation system showed three weekly flights to these cities at the beginning of February. BA only flies to Beirut and Damascus twice a week.

BA said yesterday: "We are aware of the allegation but have checked the computer reservation system and can find no incorrect information relating to services to Damascus and Beirut."

Michael Shapinka, Aerospace Correspondent

Students dominate Internet



Alan Cane, Industrial Staff

Royal jeweller in Ferrari racing deal

By John Griffiths in London

Asprey, the 200-year-old jeweller to Britain's royal family, is accelerating towards expansion in north America and the Asia-Pacific region aboard Formula 1 world champion Michael Schumacher's Ferrari.

The venerable institution of London's New Bond Street was bought by Prince Jefri Bolkiah of Brunei late last year. It plans to set up a network of outlets, mostly in partnership with leading hotels, across the two regions as part of what is intended to be a new era for the company after several troubled years.

A sponsorship deal under which Ferrari's grand prix cars will compete in this year's world championship with Asprey's logo on their bodywork forms a principal part of the new strategy to internationalise the company.

In contrast to the blood-red colour and sound and fury of the cars, a discreet veil was being drawn yesterday over the precise workings of the sponsorship agreement and the value of the cash input to Ferrari, the aristocratic end of Italy's Fiat automotive group.

However, Mr Edward Asprey, a director and member

of the former owning family, said Asprey expected to have access to Ferrari's base of highly exclusive customers, who buy around 3,000 of the Italian sports cars every year at prices ranging from £50,000 (£137,700) to £225,000.

Asprey will also develop a range of merchandise with Ferrari, Mr Asprey confirmed. But it will be much more exclusive than anything previously attempted in the motorising arena.

Asprey retains many jeweller craftsmen at its London headquarters and is preparing to engage Italian designers for the Ferrari merchandising venture.

One immediate objective is to craft exhaustively-detailed models of the grand prix cars themselves. Mr Ian Dahl, chief executive, hinted delicately that the prices might not match the cost of a grand prix car but could give a road-going Ferrari a run for its money.

Asprey will use this year's 15 grands prix - starting in Melbourne next weekend - as focal points to entertain existing customers and prospective new ones. Its owner is unlikely to be far away. Prince Jefri, younger brother of the Sultan of Brunei, is well known for his own life in the fast lane.

Mr Tony Blair, leader of the opposition Labour party, told business people in Cardiff yesterday of his commitment to a "modern partnership" between industry and government.

In the latest of his "business tour" meetings to reassure the business community about Labour's policies, he emphasised that a "stable low-inflation environment" was

necessary to enable companies to plan ahead. "We're not going to have a little boomlet that ends in a bust that damages business," he said.

Labour he said, would not try to stop the economic and technological change which was transforming the nature of work. "We cannot return to the form of job security we had before."

tion and commitment shown by our workforce led QPL to continue to invest in new technology and additional capacity at Newport."

Mr Rowe-Beddoe said it would act as a magnet for investment and create the highly skilled and high-technology jobs that Wales needed.

Mr T. L. Li, chairman of QPL, said: "The project is a further step towards QPL's goal to provide a one-stop shop for the production and assembly of semiconductors."

The plant will be built and fitted out by the WDA and leased to Newport Wafer-Fab. At 20,000 sq metres, it will be double the size of the existing plant and capable of producing 10,000 silicon wafers a month.

France and Ireland were also considered by QPL as locations.

But Mr Steve Byars, chief executive of Newport Wafer-Fab, said: "The facility

Wales wins \$350m high-tech plant

By Roland Adelburgh in Newport

A £230m (\$350m) semiconductor plant is to be opened in south Wales by QPL International Holdings, the Hong Kong-based electronics group. The facility, for its Welsh subsidiary Newport Wafer-Fab, is expected to create 768 jobs over the next five years.

The project, confirmed yesterday, will be sited next to Newport Wafer-Fab's existing plant at Newport, which employs about 400 people. QPL acquired the former Immos factory three years ago from SGS-Thomson Microelectronics.

The new facility, producing eight-inch silicon wafers, is described by the company as the most advanced in Europe. It is the largest single investment in the Newport area since the construction of the Llanwern steelworks over 30 years ago. Further large investments could come with a possible future expansion, for which part of the site has been already earmarked.

Mr William Hague, chief minister for Wales in the British government, described the project as "a huge investment at the leading edge of technology". He said it was "a signal to the whole world that the UK in general, and Wales in particular, is an outstanding place to invest". The project is supported by a substantial financial package which includes a regional grant of an undisclosed amount, from the British government.

Both Mr Hague and Mr David Rowe-Beddoe, chairman of the Welsh Development Agency, were involved in negotiations in Hong Kong to secure the plant.

France and Ireland were also considered by QPL as locations.

But Mr Steve Byars, chief executive of Newport Wafer-Fab, said: "The facility

is delayed until late 1996 with completion expected in early 1998. The level of investment, however, would be at least as high as promised.

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Nuclear company to face heavy cost before privatisation

By David Lascelles,
Resources Editor

British Energy, the company created for the privatisation of the nuclear power industry, will have to pay £1bn (\$1.53bn) to reprocess spent fuel inherited from past operations.

This marks a setback for the company, which is also locked in negotiations with the government over the amount of debt it should be made to carry on its balance sheet.

British Energy had been saying that it was unfair to burden it with the cost of spent fuel from the past. Normally, this fuel would already have been reprocessed and the cost paid by its predecessors, the state-owned Nuclear Electric and Scottish Nuclear.

However, the fuel is stored at British Nuclear Fuels' plant at Sellafield in north-west England because the necessary reprocessing capacity was created only with the completion of the Thorpe plant last year. It could be several years before it is reprocessed.

Mr Tim Eggar, the energy minister, took the view that all the liabilities associated with the assets being placed in British Energy - eight nuclear power stations - should go into the company as well. According to those close to the talks, the issue is now closed.

The disputed liabilities account for about one eighth of the total £8bn liabilities with

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JULY 1996

COMPANIES AND FINANCE

Escom blames market for DM125m deficit

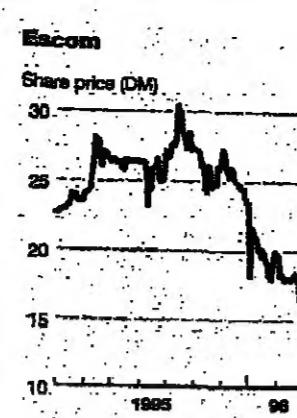
By Wolfgang Münchau
in Frankfurt and
Paul Taylor in London

Escom, the German computer maker and retailer, yesterday blamed falling personal computer sales, stock write-downs and price cuts for much higher than expected losses of about DM125m (\$85m) last year.

The troubled company, which is still majority-owned by its founder Mr Manfred Schmitt, also announced that shareholders and creditors had agreed to keep the company afloat with DM100m in new finance. Of this, DM60m would come in new capital and the rest in the form of extended credit lines.

Shares in Escom, which were suspended on Wednesday before yesterday's announcement, reopened yesterday down more than 25 per cent at DM1.95.

Escom blamed its poor performance on lower sales in Germany, price cuts and the expansion costs, including the acquisition of more than 200 Rumbelows stores in Britain last year. "The lack of Christmas business, especially in the German market, had resulted in too-large stock levels," said



Escom, and the need for "significant write-downs because of the drastic price falls for computer components".

Escom said its decision to build up its business lines of Commodore and Amiga products - cheap computers designed for home use - had also led to additional costs.

Escom's 1995 loss is almost three times the shortfall forecast by the company at the end of December, and the accompanying statement contrasted sharply with the optimism displayed only six months ago when it said it was profitable.

Yesterday the company

declined to divulge further financial details although it had already revealed that turnover last year was DM2.85bn, well short of a previous forecast of DM3.1bn.

The company's disappointing performance highlights the difficulties faced by low-tier brand manufacturers and retailers in the increasingly saturated German market.

Germany remains Europe's biggest PC market, with 1.6m machines sold in the final quarter last year, according to Dataquest, the market research firm. But in contrast with most European markets, which posted growth rates above 30 per cent in the 1995 final quarter, PC sales in Germany grew by only 7 per cent.

Dataquest figures show that Escom's market share in terms of units sold in the fourth quarter fell from 4 per cent in the 1994 period to 3.2 per cent last year, and it ranked as Europe's 16th largest PC seller, down from sixth a year earlier.

Among other German-based manufacturers Vobis, which sells under the Highscreen brand, saw its market share drop to 3.7 per cent while Siemens Nixdorf overtook Vobis with 4.5 per cent.

Wilson Bowden makes agreed bid for Trencherwood

By Andrew Taylor,
Construction Correspondent

Wilson Bowden yesterday furthered the consolidation of the housing market with an agreed £10.4m takeover of Trencherwood, the struggling housebuilder.

The total cost of the deal will rise to more than £23m including some £2m of net debt at Trencherwood at the end of October, when the Berkshire-based group showed net assets of £5.3m.

Trencherwood owns 771 housing plots with planning permission, but Wilson Bowden will also gain access to some 5,200 plots controlled under options in one of the most sought after housing regions in the country.

There is also more than £20m of tax losses at Trencherwood, of which Wilson Bowden will take advantage. It said its all-cash offer would be earnings enhancing in the first year.

The company has received acceptances representing 51 per cent of Trencherwood shares, including the more than 40 per cent held by the group's bankers.

Wilson Bowden is offering 8.87p for each ordinary share, and the same amount for each AF convertible preference share. Holders of AR convertible preference and B convertible preference shares will be offered 0.95p a share.

It is the latest in a series of purchases and asset swaps by UK housebuilders. These include Persimmon's acquisition last month of Trafalgar House's Ideal Homes offshoot

Granada creates hotels division

By David Blackwell

for £180m and the sale in December by Balfour Beatty Homes for £81m to Westbury.

George Wimpey, in the biggest deal of all, is swapping its construction and quarries businesses to acquire Tarmac's UK housebuilding division.

In the year to October 31 Trencherwood achieved pre-tax profits of £1.2m (£2.1m).

Mr David Dugdale, chairman, said the company, in spite of its refinancing in February 1993, continued to be hindered by high borrowings while trading conditions remained difficult.

Wilson Bowden, regarded as one of the most successful companies in the sector, has warned that profits for the second half of last year would be down because of the downturn in the market.

Pre-tax profits in the first half rose by just 8 per cent to £1.7m (£1.5m).

• **COMMENT**

Increasing difficulty in purchasing land and obtaining planning permission has persuaded Wilson Bowden to break with tradition and make an acquisition. In this case it is purchasing an attractive landbank when the housing market appears to be starting yet another recovery. Whether this momentum is maintained after Easter is another matter.

But the Trencherwood business needs only to generate profits of about £2.5m to be earnings-neutral. Shareholders should have no qualms about supporting this strategic acquisition.

Rod Mansfield leaves Lotus Cars after six-month tenure

By John Griffiths

The departure, announced yesterday, of Mr Rod Mansfield as managing director of Lotus Cars after only six months was "wholly amicable", the Northern-based company claimed.

However, Mr Mansfield, 61, the former chief of Ford's special vehicle operations who came out of retirement to take the post at Italian-owned Lotus, had earlier this week denied company statements that he was "on holiday". Yesterday Lotus said that Mr Mansfield, who was unavailable for comment, was "working out the notice of his consultancy and will ensure an orderly handover".

Lotus is owned by Bugatti International, a Luxembourg-registered company controlled by Mr Romano Artoli, the Italian sister company. Bugatti Automobili, was declared bankrupt late last year and Lotus's future has since been the subject of persistent speculation.

Lotus, which employs about 1,000 people at its Hethel headquarters, yesterday forecast turnover 22 per cent ahead at £55m for 1995, with retained profits of £5.8m against £2.4m.

It said that in line with its intention to become a "global leader" in vehicle engineering and performance car manufacturing, it was adding to its engineering facilities and installing additional research equipment.

The car manufacturing division was in a "strong" position, it said, with the new Lotus Elise small sports car - to be launched shortly - already having 1,000 orders. A new V8 engine is being launched at next week's Geneva motor show and the company is returning to international motor sport.

Mr Mansfield's role as managing director is to disappear.

Two current directors, Mr Hugh Kemp and Mr Andrew Walmsley, are to take control of the engineering and car manufacturing businesses respectively.

ICI followed up its capture of Grow with the \$30m acquisition in July 1995 of Fuller-O'Brien Paints, taking its share of the US paints market to about 15 per cent.

ICI established itself in the market in 1988 with the acquisition of Cleveland-based Glidden paints for \$55m.

In 1994, it introduced its Dulux brand into the US and increased its presence with the acquisition of California's Decatrend Paints.

ICI sells Grow offshoot

By Daniel Green

Imperial Chemical Industries is selling the household and consumer products business of its recently acquired Grow Group to US-based Sherwin-Williams for between £25m and £35m.

ICI bought Grow, the US paint maker, in May 1995 after it outbid Sherwin-Williams with a \$350m (£230m) offer. ICI said at the time it would be looking at possible disposals.

Newcrest makes move on Normandy Mining

By Nikki Tait in Sydney

Normandy Mining, the Australian mining group headed by Mr Robert Champion de Crespigny, became a candidate for takeover yesterday when Minoro, the Luxembourg-quoted offshore operating arm of the Anglo American Corporation of South Africa group, sold its 18.9 per cent

control of either Normandy or PosGold will not change unless all shareholders in each company are treated fairly".

It added that the benefits of the A\$83m merger had "if anything, been reinforced by this development", after the sharp increase in the Normandy and PosGold share prices.

Normandy shares leapt 25 cents after the Minoro sale, to close at A\$2.65, while PosGold closed 28 cents higher at A\$3.75. GMK gained 12 cents to A\$1.64, while North Flinders Mines was 69 cents up at A\$8.99.

The raid by Newcrest, formed six years ago when BHP and Newmont Mining merged their Australian gold-mining operations, is the latest in a spate of deals and takeovers in the Australian mining sector. Two rival bidders are jostling for control of Gascoyne Gold Mines while Acacia Resources this week announced a hostile A\$87m offer for Solomon Pacific Resources.



Julian Ogilvie Thompson, chairman of Minoro, which sold stake

Mercedes picks Stuttgart for engine plant

By Wolfgang Münchau

Mercedes-Benz, the luxury car and truck maker, is to invest DM1bn (£680m) in a plant in Stuttgart to build a new generation of engines for its mid-sized cars.

Yesterday's announcement comes at a time of intense debate about Germany's ability to attract new investment. It is a significant boost to the south-west of the country, which has been under increasing pressure to retain its formidable industrial base.

The announcement caught senior managers in the company by surprise. They had not planned to make an official statement for several months but the news came out by accident.

dent, when a Mercedes manager spoke at a local town council meeting in a discussion about infrastructure planning.

Mercedes said the Stuttgart location won against competition from other sites, but

Fokker, the beleaguered Dutch aircraft maker, won a two-week stay of execution from bankruptcy yesterday after the government extended crucial bridging credits for another 14 days, writes Ronald van der Krol in Amsterdam.

The extension of the F1 255m (£155m) credit facility, which had been widely expected, will make it possible for Fokker to pursue negotiations with Samsung of South Korea or to attempt a solo relaunch in slimmed-down form with the help of Dutch financiers.

The credits, originally granted for a five-week period in late January, were due to expire on Monday. Fokker has used about F1 200m in

refused to identify these sites.

The company said it would

next month start building a new factory in the Untertürkheim district of Stuttgart where Mercedes has its corporate headquarters.

The company had already

decided to site the production of its new V8 and V6 engines as well as four, five and six-cylinder diesel engines. The factory is scheduled to be completed in late 1997, and will employ about 1,700 staff.

FIERA MILANO. NON STOP.

There's no stopping at Fiera Milano. One event follows another, punctually and successfully. As always. Over 70 exhibitions and 1.5 million sq. m. of stand space sold every year. 35,000 exhibitors and 2.6 million visitors, with work forging ahead on new pavilions and the refurbishment of existing ones to make them even more functional. If you don't believe us, just look up. The year 2000 is already on its way.

INTERNATIONAL EXHIBITION CALENDAR FROM JANUARY TO JULY 1996

January

- 19-22 CHIBI '96 International exhibition of gift articles, fancy goods, perfume items, costume jewellery and smokers' supplies
- 19-22 CART '96 International exhibition of stationery, paper and cardboard products, articles for school and fine arts
- 24-28 34th SALONE DEL GIOCATTOLIO '96 International Toy Fair Luccichella, South Pavilion
- 28-30 MIAS INVERNALE '96 International sportswear, sport and camping equipment exhibition

February

- 9-12 MACEF PRIMAVERA '96 International Exhibition of Tableware, Household and Gift Items - Silverware - Gold - Watches

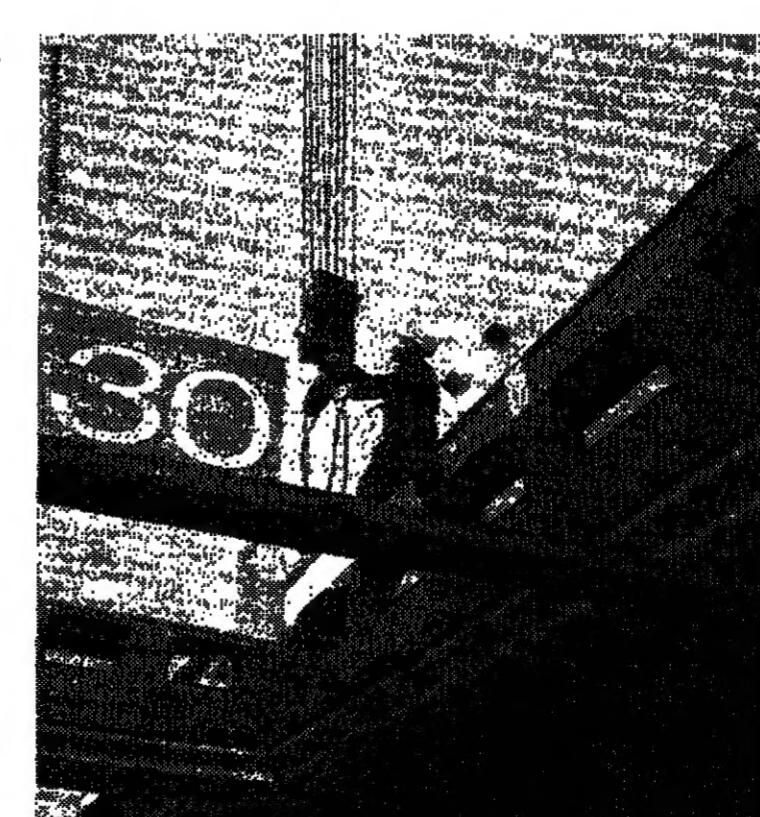
- 23-25 MIFLOR '96 Floriculture, Plants and Gardening Accessories. International Exhibition Luccichella, South Pavilion

- 28 Feb. BIT '96 3 Mar. International Tourism Exchange

March

- 4-6 MODA IN International clothing, textiles and accessories exhibition Luccichella, South Pavilion

- 13-16 FLUIDYTRANS COMPOMAC 15th International biennial exhibition of Power Transmission Systems and Control and Engineering Design Equipment



April

14-17

69th MIPEL

International leather goods market

- 18-22 SALONE INTERNAZIONALE DEL MOBILE International Furniture Show

- 18-22 EUROLUCE 18th International Biennial Lighting Technology Exhibition

May

- 27-31 30th MOSTRA CONVEGNO EXPOCOMPORT International exhibition and conference of Heating, Air-Conditioning, Refrigeration, Plumbing & Sanitary Installations, Design Equipment

June

- 3-6 MIDO '96 International optics, optometry and ophthalmology exhibition

July

- 1-2 MIAS ESTIVO '96 International sportswear, sport and camping equipment exhibition

August

- 12-14 BORITEC 8th International Cooperation, Development and Investment Exchange

September

- 1-3 MIAS AUTOMOTIVE '96 International Motor Vehicle, Components and Parts exhibition

October

- 10-12 MIAS INVERNALE '97 International Sportswear, Sport and Camping Equipment exhibition

November

- 17-19 MIAS INVERNALE '97 International Sportswear, Sport and Camping Equipment exhibition

December

- 24-26 MIAS INVERNALE '97 International Sportswear, Sport and Camping Equipment exhibition

January

- 31-01 MIAS INVERNALE '98 International Sportswear, Sport and Camping Equipment exhibition

February

- 14-16 MIAS INVERNALE '98 International

COMPANY NEWS: UK

Henlys poised to seek reclassification

By Motoko Rich

Henlys Group, the motor, bus and coach group, is considering the reclassification of its listing on the Stock Exchange and in the FT-SEX Actuaries index.

Currently listed as a distributor, it is seeking advice on a possible transfer to the engineering, vehicles category.

Mr Robert Wood, chief executive, said: "In the second half of last year, following acquisitions, 67 per cent of our profits came from bus and coach manufacturing rather than distribution."

Pre-tax profits for 1995 rose 57 per cent, from £16.1m to £25.3m, on sales up 16 per cent at £251.6m. Strong growth in the bus and coach division offset weak new car sales.

Acquisitions contributed £5.7m to operating profits in Henlys's bus and coach division. Continuing businesses raised profits 69 per cent to £14.4m.

Operating margins in the division expanded from 10.7 per cent to 12.8 per cent. Production at the group's Plaxton factory in Scarborough rose by 30 per cent.

Profits in the motor division

edged up to £7.54m (£6.96m), attributable to the group's acquisition of MCS Group, which operates 10 dealerships in south-east England.

New car sales started buoyantly, but tailed off. The difficult market was exacerbated by an over-supply of cars.

"There were a lot of vehicles being pushed into the market and there were not enough buyers around. We had to force prices down," said Mr Wood, echoing similar reports from Cowie, the motor and bus, finance and distribution group which reported weak new car sales earlier in the week.

The division made 100 of its 1,500 employees redundant in an effort to cut costs.

Earnings per share rose to 34.1p (£3.5p). A final dividend of 3p (3p) is recommended, giving a total of 12p.

• COMMENT

The weakness in the motor division was as expected, and can hardly be blamed on Henlys. Having recovered in 1994 after making losses in 1991 and 1992, the group appears to have got its strategy right. Its efficiency gains in the bus and coach division are impressive,

and there is more to come. In the motor business, the group has taken steps to cut costs and limit its exposure to the volume-driven market. Still, if the division continues to deliver flat results, the group may reconsider its investment. For the moment, its next challenge is to repeat its bus and coach performance outside the UK. On 1996 pre-tax profit forecasts of £23m, the shares are trading on a forward p/e of about 14, broadly level with the market. Whether or not the group switches sector, its shares may have a little more room for improvement.

Memory shares fall on chip fears

By Christopher Price

Shares in Memory Corporation fell 32 per cent yesterday, marking a cumulative decline of 55 per cent in the past four days. As the semiconductor group reported its first set of results amid concerns over declining microchip prices.

The sharp price fall forced the company to bring forward its results by a month. The shares, which were placed at 420p when the company joined the Alternative Investment Market in September, closed 107p down yesterday at 225p.

Pre-tax losses nearly doubled in the year to December 31, from £1.05m to £1.95m. The increase included a write-down on stock of £267,000 due to the decline in chip prices. However, the group, which was incorporated three years ago, recorded its first sales, turnover reaching £450m, all made in the last quarter.

In France, MFI suffered from poor trading before Christmas, although it picked up substantially in January and February.

Mr Randall said that, following the success of the winter sale, MFI planned to roll out its modernised Homeworks format to all 185 outlets during the next two to three years at an annual cost of about £20m. Homeworks outperformed the rest of the chain by some 12 per cent during the sale. The investment would be funded from cash flow, he said.

Shares in MFI Furniture edged up 8p to 158p yesterday as the furniture retailer and manufacturer revealed signs of strong post-Christmas trading and promised benefits from softer raw material prices in 1996/97.

The company said sales had been some 5.5 per cent higher in the second half, due to particularly strong trading in the last 10 weeks.

Mr John Randall, managing director, said sales in the UK had, in general, been relatively dull before Christmas. However, during the winter sale - the company's most important trading period - it had shown a substantial 107p down yesterday at 225p.

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Peggy Hollinger

Hickson plans S African sale

Hickson International, the speciality chemicals company, is poised to sell its South African businesses to a local consortium. It declined to reveal how much it would receive for the disposal, which should be completed later this month.

The businesses, which make speciality chemicals, timber preservation products and metal salts, generated sales of £13m last year on net assets of £7m.

Hickson announced its intentions to sell last November when it issued a profits warning. It has also sold Hickson Kerley, a US subsidiary, and is selling Hickson Specialities, a Milwaukee-based business.

The group has appointed Mr John Markham to an executive position on the board. Mr Markham joined the group at the time of the profits warning to run the main UK operations at Castleford in West Yorkshire. Shortly before joining Hickson, he resigned as a general manager at Albright & Wilson, the chemicals group.

Motoko Rich

GWR expands in New Zealand

GWR, the Swindon-based radio group, is buying Prospect, the New Zealand radio businesses formerly owned by the Independent Broadcasting Company, for up to NZ\$26.5m (£11.6m).

Prospect has 12 radio stations in Auckland and Hamilton and is an important supplier of services to the NZ radio industry.

In the year to June 30 1995 it reported pre-tax profits of NZ\$1.54m, after exceptional costs of NZ\$886,000, on sales of NZ\$13.5m at the period end.

The move is GWR's first expansion into the Asia Pacific region. It is expected to be earnings enhancing immediately and will be financed by bank facilities. There will be an initial payment of NZ\$2.5m adjusted in relation to consolidated funds of IBC Group.

Nigel Clark

Reliance Security FD quits

Mr John Toop, Reliance Security Group's finance director, has left the company. The security services concern said yesterday that he was leaving "of his own volition" to pursue previous business interests, and his departure implied no change in company strategy. He would receive "not a farthing" in severance. Mr Toop moved from Blue Arrow to become group finance director in 1989.

Mr James Macnamara, company secretary, has been appointed a director.

Reliance reported pre-tax profits of £1.78m (£1.49m) for the six months to November, on six-month turnover of £41.9m (£40.2m). The company is recovering from what it called a "dreadful" period that included a pre-tax loss of £23.000 for the year to April 1994.

Simon Kuper

Setback for Formscan

Formscan, the distributor of IT-related document production and capture peripherals and one of the original entrants to the AIM in June 1995, yesterday reported a 11 per cent downturn in first-half profits.

The shares, which had risen from 50p to 158p during the past year, retreated 22p to 156p yesterday.

Nevertheless, Mr Alan Harle, chairman, described the outcome per-tax profits for the six months to January 31 dipped from £577,017 to £511,345 - as "satisfactory" with strong levels of business in both its OCR and integrity divisions.

Capital & West to join Aim

Capital & Western Estates, a residential property company formed under the business expansion scheme, has been admitted to the Aim.

The company, which recently bought two properties in London for £1.51m, plans a further purchase after dealings begin, probably on March 6. Part consideration for the further deal will be made by offering one share per 2.5p of the purchase price, representing a premium of 48 per cent over the net asset value of 1.68p a share.

In Brief

BARCLAYS BANK: Mr Alastair Robinson is to retire as chairman on May 6 following the annual meeting after 37 years with the bank. He joined the board in 1980 and became vice-chairman in May 1992. He was regarded as one of the old guard after the management changes in 1994.

JURYS HOTEL Group plans to establish a 190-room Jurys Inn in central Belfast at a cost of £9.4m. It is intended to open in May 1997. Construction will be assisted by a grant from the Northern Ireland Tourist Board.

Enviromed to sell Pro-Care

By Motoko Rich

Enviromed, the biotechnology and diagnostics company, yesterday said it was selling Pro-Care, its dental equipment maker, to restore its balance sheet and guarantee the extension of bank facilities.

As it announced pre-tax losses of £2.3m - including exceptional charges of £5.9m - for the year to September 30, the group said it had accepted an offer to buy Pro-Care from VDC, the AIM-listed animal healthcare products company, for £3.6m cash.

In addition, VDC would pay up to 27.5p, including the value of Pro-Care's net assets. VDC will also assume the trade creditor, finance lease and other liabilities of the business.

Enviromed said the disposal was "fundamental to the future of the company in light of the group's indebtedness". The move is subject to shareholder approval at an extraordinary meeting on March 18. The group added that its bank facilities had been granted "on the basis that the disposal becomes unconditional".

The news came after the market closed, with the shares unchanged at 36p.

The proceeds of the sale will be used to pay off a £1.6m bank loan from National Westminster, reduce group borrowings and provide working capital.

Mr Tom Murphy, managing director, said: "We do not expect to have any trouble if the Pro-Care sale is approved."

The losses were struck on sales more than tripled to £27.5m. The bulk of the rise, however, was derived from the acquisitions of Pro-Care and Cambridge Veterinary Sciences, which was sold to Vetoquinol, the French group, last December.

Losses per share were 23.77p, compared with earnings of 43.8p.

Go-Ahead hits out at MMC

By Geoff Dyer

Go-Ahead Group, the Gateshead-based bus group, hit out yesterday at the Monopolies and Mergers Commission, describing parts of a recent report as "absolute nonsense". Mr Martin Ballinger, chief executive, said that the recent MMC decision clearing its acquisition of OR Motor Services in County Durham contradicted an earlier report into bus services in the north east which had criticised Go-Ahead.

The group was negotiating with the Office of Fair Trading over undertakings it had been required to give after the first report, some of which he claimed were "illegal and laughable".

His comments came as Go-Ahead announced a 63 per cent rise in interim pre-tax profits to 26.69p (£6.61m). Turnover in the six months to December 30 was £67.8m (£47.7m), up 38 per cent.

The rise in profits resulted from improved performances in the north-east and in London, where the group runs the Central franchise. However, margins at the Oxford business fell.

Mr Ballinger said that passenger numbers, which had been declining for more than 20 years, were rising in areas such as Brighton where local authorities encouraged the use of buses.

Mr Ballinger said that Go-Ahead was now interested in looking at railway passenger franchises.

The interim dividend is 1.85p (1.8p) payable from earnings of 13.69p (12.03p).

The shares rose 12p to 305p.



Tony Andrews

• COMMENT

Go-Ahead has been the tortoise of the quoted bus sector. It has been slower to make acquisitions and its margins pale beside Stagecoach's. But investors can take a good deal of comfort from its approach. Its strategy is less risky than its competitors and lower margins mean greater room for improvement from existing operations. Also management attention is now free to consider expansion, even if gearing of 313 per cent is high. But most attractive of all is the rating. With analysts forecasting full-year pre-tax profits of £13.2m and earnings of 26.5p, the shares are at a 20 per cent discount to the market - not very generous for a company forecast to increase earnings by over 50 per cent this year and which faces an outside chance of a takeover bid.

If it makes a bid, it will need to be assured that it can find a buyer for Cunard and that there are no more large loss-making engineering and construction contracts hidden in Trafalgar's current order book. If it makes a bid, it will need to be assured that it can find a buyer for Cunard and that there are no more large loss-making engineering and construction contracts hidden in Trafalgar's current order book.

Kvaerner silent over Trafalgar bid

By Andrew Taylor, Construction Correspondent

Discussions on whether Kvaerner, the Norwegian engineering and shipbuilding group, will launch a formal bid for Trafalgar House are expected to continue over the weekend.

Kvaerner, which has expressed an interest in buying the UK engineering, construction and shipping conglomerate, declined to comment on its immediate plans, following a board meeting in Oslo yesterday.

Some observers believe that Hongkong Land, Trafalgar's largest shareholder with 28 per cent, has become so disenchanted with the performance

of its investment that it might consider a lower offer.

Trafalgar shares last night closed 24p lower at 44.5p. Hongkong Land paid 73p a share when it first bought its stake in Trafalgar in 1992.

Kvaerner ruled out a hostile bid, following its failed £360m hostile offer in December for Amec, another UK engineering and construction group.

A marriage between Kvaerner and Trafalgar would create the world's largest offshore oil and gas fabrication business.

Kvaerner would also want Trafalgar's John Brown and

Davy process engineering and construction subsidiaries which would fit neatly with its engineering interests, manufacturing equipment for the oil and gas, and pulp and paper industries.

The Norwegian group, however, has made it clear it has no interest in retaining the Cunard shipping business.

If it makes a bid, it will need to be assured that it can find a buyer for Cunard and that there are no more large loss-making engineering and construction contracts hidden in Trafalgar's current order book.

Mr Peter Douglas, chairman, said "you could count on your fingers and toes" the number of listed companies that still had non-voting shares. Grampian Television, Barr & Wallace Arnold Trust, Liberty, the retailing and textiles group, and James Beattie, the department store operator, have all

sales force. These customers typically have Energis listed directly to their offices.

Mr Grabiner thinks that efficiencies can be found in third parties taking over the task of selling to smaller customers; those taking "indirect" services where the connection to the Energis network is made over BT lines. This typically involves putting a "black box" in the office or reprogramming a local switch. "A lot of this can be sold by third parties like branch exchange dealers or regional electricity companies," he says.

In the same, Energis intends to tackle the residential sector. A "black box" suitable for the home has been developed and the plans are for a service which would link homes and offices.

Mr Grabiner is determined to crack the business market first. In the first six months of the year the company lost more than £40m on revenues of £15.7m. It is not scheduled to move into profit until 1999 or 2000. Mr Grabiner believes the figures are already moving in the right direction.

The overall aim through international and local partners would be to offer an end-to-end, seamless service.

Mike Grabiner: "Energis is a well-kept secret in the market"

the network genuinely combines low cost with high functionality, that there are significant products and that there are many more customers - 11,000 generating 2m calls a day, than I had thought.

The fundamentals of the business are outstanding. My role, to take the company much more aggressively to the market.

His strategy involves a combination of marketing and alliances. A sales director, Mr Bob Taylor, has been recruited, with Energis since the launch and formerly with Mercury Communications, is now responsible for marketing. The amount spent on advertising, probably less than £1m last year, will be increased substantially.

Mr Grabiner is anxious to point out that the company's sales activities. The largest accounts - the BBC

WEEK IN THE MARKETS

Sharp fall in price of nickel

Investment funds decided to sell nickel this week and by Thursday morning the price for metal for delivery in three months on the London Metal Exchange had dropped by more than 8 per cent from Friday's close.

Traders said the sharp fall was caused by those investment funds that rely on technical indicators such as charts. The funds apparently were intent on driving the price down to between \$7,650 and \$7,900, but they did not succeed.

Nickel touched \$7,700 before a late rally on the LME, led by copper, took the price back up again.

Last night, three-month nickel closed at \$7,962.50 a tonne, up \$140 on the day but \$225 a tonne or 5 per cent down over the week.

Some analysts suggest other factors indicated that nickel prices should be lower, particularly the slowing of demand for stainless steel which accounts for two thirds of nickel consumption.

Mr. Viktor Bleiski, analyst at Bain & Company, suggested further weakness in the nickel price was likely unless it could bounce back above \$8,000 a tonne. This would require a significant increase in consumer interest and appears unlikely in the very near term.

On the London Commodity Exchange coffee futures prices lost 4.6 per cent of their value on Monday as hedge funds unwound their positions in New York, pushing robusta futures down to \$1,872 a tonne. But over the course of the week, the market made up for those losses and bounced back to \$1,930 a tonne on Friday.

Coffee prices were weak with the LCE's futures price testing contract lows several times during the week and closing on Friday down \$10 at \$203 a tonne. The price weakness followed bearish crop reports from the Ivory Coast.

BASE METALS
LONDON METAL EXCHANGE
(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7% PURITY (5 per tonne)

Cash	3 mths
Close	1503.5-91.5
Previous	1577.78
High/low	1580/1513
AM Official	1588-90
Kerb close	1630-31
Open Int.	207,506
Total daily turnover	47,589

\$136.50 but recovered when the market had second thoughts to end the week at \$138.

Russia accounts for 65 per cent of world production of palladium, used mainly in automotive anti-pollution catalysts, and the market was already nervous following the comments from Mr Barry Davison, chairman of Anglo American Platinum Corporation.

On Monday Mr Davison suggested that the market remained overshadowed by stockpiled Russian metal and "the fundamentals are not conducive to a short or medium term improvement in platinum metal prices."

Gold struggled back above

LME WAREHOUSE STOCKS
(As at Thursday's close)
tonnes

Aluminium	+2,175
Aluminium alloy	+1,200
Copper	+1,250
Lead	-1,620
Nickel	-78
Zinc	-1,162
Total	-1,025

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tonnes

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Nickel	-78
Zinc	-1,162
Total	-1,025

\$400 an ounce for a short time this week but, when it failed to race upwards there was some selling in New York by disappointed speculators and it closed in London last night at \$398.30, down \$2.20 on the day but unchanged from a week earlier.

Traders said there was heavy selling any time gold attempted to break above \$402. Analysts said the price was likely to range between \$395 and \$402 until options on the New York Commodity Exchange expired on March 8.

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Deborah Hargreaves
Kenneth Gooding

WEEKLY PRICE CHANGES

Lates price
Change
per week
Year ago
High
Low
1995/96

Gold per tray oz.	\$398.50
Silver per tray oz.	+8.00
Aluminum 99.7% (per oz.)	\$1584.50
Copper Grade A (per oz.)	+16.0
Lead (per oz.)	-7.85
Nickel (per oz.)	-1.65
Zinc (per oz.)	-1.25
Tin (cwt)	-10.0
Copper Futures Mar.	\$1882
Copper (L/C) Feb.	+10.0
Copper (L/C) Mar.	+10.0
Copper (L/C) Apr.	+10.0
Copper (L/C) May	+10.0
Copper (L/C) Jun.	+10.0
Copper (L/C) Jul.	+10.0
Copper (L/C) Aug.	+10.0
Copper (L/C) Sep.	+10.0
Copper (L/C) Oct.	+10.0
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COMMENT & ANALYSIS

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700
Saturday March 2 1996

Place your bets, please

Investors are more or less agreed that further UK interest rate cuts are in the pipeline - possibly next week. But that is where the consensus ends. As usual, where you stand on the medium-term outlook for the economy depends largely on where you sit.

If you are an investor in sterling futures, you believe that interest rates will fall over the next few months, but that this will be reversed by year end as demand stages a sprightly comeback. The market is now predicting base rates of 6 per cent by the summer, down from their present 6.5 per cent, but the same investors are expecting rates to be back at 6.5 per cent by December.

Much of this story looks plausible. The February survey of UK purchasing managers, released yesterday, indicated that last year's slowdown in economic activity has continued into the new year. The survey found that the manufacturing sector contracted slightly last month, for the first time in more than three years.

In a sense, these figures merely confirmed what many had already concluded from the fourth-quarter figures for GDP. Growth in output during the first half of the year was always going to be heavily influenced by manufacturers' attempts to off-load excess inventories left over from last year.

Official data on inventory levels are somewhat unreliable, but stocks in manufacturing are thought to have risen by nearly 6 per cent over the past 18 months, compared to a rise in output of just 1 per cent. This suggests that producers' attempts to cut down on output so as to bring their stock ratios back into line are likely to depress overall economic growth for some months.

Underlying strength

Support for the second, more optimistic, stage of the market prediction comes from the underlying strength of consumer demand, particularly in the service sector, which was little affected by last year's pause in the growth rate.

Consumer spending has grown at a sprightly 3 per cent annual rate since the second quarter of 1995. Indeed, a pick-up in the growth of the broad measure of the money supply is already sounding some alarm bells at the Bank of England. The latest figures, showed M4 growing at an annualised rate of 13.4 per cent in the three months to January, up from 7.3 per cent in October.

Windfall gains from maturing tax-exempt savings accounts, building society reorganisations

and other "one-offs" ought to boost spending further over the next few months. Once the stock adjustment is complete, domestic consumers could propel the economy back to above-trend growth rates, even if demand on the continent continues to disappoint.

The fact that interest rates are likely to fall further provides another reason to be optimistic about growth in the second half of the year. Mr Kenneth Clarke, the chancellor, has cultivated a reputation for prudence, but another modest interest rate cut would not necessarily endanger the government's inflation target. Indeed, the recent spate of sober manufacturing data suggest that such a reduction might be worthwhile - as long as he does not hesitate to raise them again if and when price pressures start to reappear.

Rising expectations

Oil investors appear to agree with everything in the story but the punchline: the yield on 10-year government bonds has risen by around half a percentage point in the past month, in line with bond markets around the world. Some of the rise was reversed yesterday in response to rising expectations of lower short-term rates.

Gen Malan, who describes himself as "a moderate, a liberal and a Christian" said after being charged: "What has happened here is the biggest crisis in South African democracy. It is now in its darkest hour."

Other South Africans also believe they are passing through dark hours, including the white parents of children at a primary school in Potgietersrus 150km from Pretoria, who have removed their offspring from the building rather than allow them to attend classes with blacks.

Mrs Karen du Plessis, who heads the white parent group, admitted their action was disruptive for the children. "But it is for the sake of Afrikaners for generations to come," she said. "If we do not take a stand, Afrikaans [the language] will be wiped out in two years."

Archbishop Desmond Tutu, who argues for reconciliation almost as vigorously as Mr Mandela, is also about to start delving into the past as head of the Truth Commission, which over the next two years will investigate the worst human rights abuses of the last three decades, and grant amnesties to those who confess all.

Companies may be hoping to consolidate their position - and jack up prices - when the economy picks up again, but they are not investing in large amounts to extra capacity to meet higher demand. This hesitancy to invest could make it more difficult to restrain inflation once growth resumes, and harder still to keep the current account deficit under control. Both, in turn, would call for a response from Mr Clarke, in the form of higher interest rates, before the year is up - but do not lay too much money on him responding.



Faces of South Africa: black and white pupils at Potgietersrus school a day after it was desegregated; General Magnus Malan, who goes on trial on Monday, and President Mandela poses with the national football team

gashy to contemplate." General Constand Viljoen, former army commander who heads the Freedom Front, the dominant Afrikaner political party, says he also believes in reconciliation, but thinks there should be a general amnesty covering abuses of the past, not a case-by-case examination. "I do not believe we will have reconciliation through the Truth Commission. Instead it will provoke retribution. It might even become a witch-hunt."

The archbishop, who now has a 24-hour bodyguard, believes the process is vital if still-open wounds are to be healed. "The nation must acknowledge and understand what has happened," he says. "The survivors and the victims must be allowed to tell their stories. If we succeed in this work the repercussions will be considerable. But if we fail, the consequences will be too

sus that the two primary issues are unemployment and crime. South Africa is a world leader in both. Unemployment is put officially at 4.7m, or 33 per cent of the workforce. A report issued on Thursday by the South Africa Foundation, which groups the biggest 50 companies and 10 multinationals, estimates that if the economy continues to grow at its present rate of just over 3 per cent, unemployment will rise to 6.7m by 2000, or 37.4 per cent of the workforce, and top 40 per cent four years later.

The report notes that two out of five South Africans, about 17m people, live in poverty. At present economic growth rates this number will increase steadily. "This state of affairs is morally repugnant and is a profoundly destabilising force in society," says the report. Just how destabilising was illustrated last month when gunmen opened fire on a crowd of over 2,000 queuing for

Hurlingham says 68 vehicles were hijacked there last year, but not one since access was limited to a single point controlled by armed guards. But such solutions only push crime into other areas, and are not available to the black majority, already the primary victims.

Opening parliament last month, Mr Mandela called for a "new patriotism" and a "national vision" to lift the country from the quagmire of crime and unemployment. Ministers, party leaders, captains of industry, trade unionists, and radicals of all persuasions, applauded his words. There is also broad agreement on what the national targets should be.

Mr Thabo Mbeki, the deputy president and heir-apparent to Mr Mandela, said this week the government's aim was sustained annual growth of 6 per cent and the creation of 500,000 jobs a year by 2000. The main employers' organisations concur. What separates them is how these goals should be achieved.

The South Africa Foundation wants a rapid reduction in crime, swift easing of exchange controls, rapid privatisation, drastic cuts in the budget deficit, flexible labour markets, a reformed tax structure and a vigorous export drive. While praising the "wonderful job of reconciliation" done by Mr Mandela, it fears that in almost every sector the government is moving too slowly, or - in the case of the new Labour Relations Act which gives workers a bigger say in company policy - heading in the wrong direction.

Such is the respect accorded to Mr Mandela that chief executives will not speak out more forcefully against his government's policies. "He is such a fine man, and has done so much to reconcile this country, that you can't just come out and say he's wrong," says one chief executive. "But if you want to create jobs, you do not pass the sort of new labour legislation that we will have to work under." Similar reticence applies to the issue of exchange controls following the weakening of the rand. In public, chairmen and chief executives call for a swift easing in private for total immediate abolition.

They argue that the African National Congress has perhaps 18 months in which to act decisively on a range of issues before the political pressures of the next general election in 1999 begin to intrude. But the ANC, and its communist and union allies, cover a broad political spectrum and remain committed to consultation and consensus-building. The risk, therefore, remains that the government, proud of its record so far, will not be hurried into more radical action until the need is even more apparent.

It is then, perhaps, that the gloves will come off in the economic debate. But at least the participants start with the knowledge that strong economic growth and millions of new jobs are essential for the long-term success of Mr Mandela's mission, and the breadth of his eternal smile.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5938 (please set fax to 'fine'). e-mail: letters.editor@ft.com Translation may be available for letters written in the main international languages.

Competitive trade-off that may run out of time

From Mr Iain Wyllie.

Sir, Ronald Dore's analysis of the western, particularly Anglo-Saxon, competitive model versus the Japanese one is timely (Letters, February 29). The totally open market concept avoids the need for an intelligent, responsible approach to acceptable social equity. Continental European countries developed their own, initially successful, post-war model, but this has now become cumbersomely bureaucratic and costly, limiting

their international competitiveness. Japan has a dilemma. Its aggressive international competitiveness has produced a western, particularly US, reaction aimed at changing its home market structure.

As anyone who has worked there knows, the Japanese domestic market is one of the most ruthlessly competitive in the world. However, it is constrained by balancing regulatory mechanisms and cultural factors that do not produce the lowest cost goods and services,

but maintain social cohesion, with visible benefits.

It is far from a perfect system, but involves a trade-off that a growing western public opinion seems to find preferable to the social extremes, coupled with alienation, found in the US, and increasingly in Europe.

The Japanese know that increasing "liberalisation" is likely to break the social consensus, but are under strong pressure to change if their trading relations are to be

Iain Wyllie,
31 High Point,
Filton Road,
Bristol,
Beds SG6 2BR, UK

Priority must be given to skills

From Mr Bruce Lloyd.

Sir, Pamela Davies' Personal View ("When growth fails the unemployed", February 27) provided some valuable arguments to help reduce unemployment but a fourth option is likely to be more effective all round. This option is to focus on the skill development (both competence and commitment) of those concerned. Unemployment rates are much greater among those individuals without skills than those with them, and this gap is likely to increase in the years ahead.

By providing support that ensures improved long-term employment prospects (ie, where the real added value is greater than the cost) there are not only real benefits for the individuals concerned but this is also benefits the existing work force, rather than adding potential costs reflected in the other options.

Bruce Lloyd,
strategic and international management,
South Bank University,
103 Borough Road,
London SE1 0AA, UK

Not deserving of such denigration

From Mr David Paul.

Sir, Why this constant denigration of our public services? No-one would guess from your leader on the Channel Tunnel link ("Slow crawl to the fast link", March 1) that British Rail InterCity has for more than 20 years operated Europe's most extensive high speed train services, becoming a model for other railway administrations.

Neither would anyone guess that, even today, InterCity services serve more towns with more frequency at higher average speeds than any other European railway system. So why the constant sniping?

David Paul,
5 Alderman Road,
Bromley,
Kent, UK

A welcome for children in Paris

From Mr Peter Hammatt.

Sir, Ms Katherine Rozei (Letters, February 29) and I apparently frequent different parts of Paris or maybe have different expectations. After the experience of "no children" in many English pubs, their ready acceptance in most French cafés and brasseries has always pleased me. Of course, if you choose restaurants with Michelin stars, the situation changes... but it is an awfully expensive way to feed children!

Everyone seems to have forgotten the key pleasures of McDonald's for young children:

- 1) They get to eat with their fingers without being told off.
- 2) They get a silly free present that they can break and/or lose without parental disapproval.

All this and chips to boot! What more can a five-year-old want?

Peter Hammatt
2, Square Maurice Denis,
92190 Meudon, France

Danger of the IT 'power users'

From Mr Paul Offord.

Sir, I found Vanessa Houlder's article "The changing face of corporate IT" (February 26) very interesting. The rise of the "power user" is bringing with it some dangers. "Power users" have the knowledge to build systems, but that is only part of the story. A large portion of IT department work consists of mundane tasks driven by procedures. Failure to carry them out endangers the integrity of corporate data and hence will

create commercial risks.

If you accept that the time invested will probably be lost if the user leaves, there is scope for "power users" to create their own reporting and inquiry applications. I just would not trust them to look after the data.

Paul Offord
managing director
Advance Seven,
Basler House, High Street
Great Dunmow, Essex, UK

The Financial Times plans to publish a Survey on

Insurance

on Wednesday, March 27

Timed to coincide with the Airmic conference, this survey will provide a global review of the world's insurance markets, including a feature on developments at Lloyds of London. We also plan to explore the dramatic effects that new technology will have on the marketplace.

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FT Surveys

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For Henry and Simon Keswick to expand the presence in the west of Jardine Matheson, Hong Kong's oldest trading group, has proved to be a troublesome experience.

Since the 1970s the two men have made a series of failed attempts to build a business empire outside Hong Kong to protect Jardine if things should go wrong when the UK colony reverts to Chinese sovereignty next year.

This week it emerged that they had been no more successful with their latest attempt - a \$200m investment in Trafalgar House, the UK construction, engineering and shipping conglomerate. Jardine appears ready to take a loss of about £100m by selling its stake to Kvaerner, the Norwegian engineering and shipping group.

"It is a paradox," says Simon Murray, Deutsche Bank's group chief executive for the Asia-Pacific region. "They have moved from Hong Kong to reduce risks, but have ended up increasing them."

The investment in Trafalgar was small. Jardine's standards, but was to have been a launch pad for the group to expand in the UK. Simon Keswick was brought in as chairman, swiftly followed by Hong Kong Land's finance director, David Gavler, and then Nigel Rich, former Jardine Matheson managing director.

Robert Corzine on the threat posed by the BP/Mobil merger

When garages fail to make the grade

Motorists who collect oil company stickers will need to get into gear if they are to complete their collections - because some famous names on Europe's forecourts may soon disappear.

This week British Petroleum and Mobil, the second largest US oil company, announced an ambitious merger of their refining, marketing and lubricants assets across Europe. The aim is to cut costs in businesses where profit margins have been shrinking steadily.

For the public the most noticeable result of the merger will be the disappearance of 3,600 Mobil service stations across Europe. Over the next two years most of them will be redecorated in BP's green and yellow livery at a cost of about £200m.

But for the European oil industry, the planned partnership is more than just a commercial alliance: it is an omen of even more radical restructuring to come.

"It can only speed up the inevitable shakeout," said one industry expert this week. And it is a shakeout that many in the industry believe could end in the disappearance of some famous names.

"We are seeing naked capitalism at work," says Mr Bruce Petter, head of the UK Petrol Retailers' Association, a trade group for independent petrol station owner/operators.

In recent weeks service station operators across the UK have seen their margins pared back to some of the lowest levels ever experienced by the industry. The reason is the Price Watch campaign launched by Esso, the European subsidiary of Exxon, the US oil giant, in which it promises to match the lowest prices around its stations.

"Nowhere in Europe have margins ever been as bad as in the UK," says one industry expert.

Some oil company executives, including Sir David Simon, BP chairman, believe Esso's campaign is no different from many previous price cutting exercises launched by various oil companies, including BP. But others are not so sure. Esso is "trying to force massive change on a scale never before experienced in western Europe," says one executive who monitors prices and trends across Europe.

The fact that BP and Mobil, two of the more efficient international oil companies, have joined forces is an indication that competition, which is already fierce, promises to get tougher. The partnership will create the second largest oil retailing company in Europe, with a 12 per cent share of the market. That places it just behind Royal Dutch Shell and ahead of Exxon.

Other companies in the industry which have survived for decades are now "thinking the unthinkable," according to Mr Petter, and considering withdrawal from the market. The reason is that the oil companies in Europe operate too

Men in the News · Henry and Simon Keswick

Taipans who missed the boat

Simon Davies and John Riddings on the brothers at the top of Jardine Matheson

However, the strategy quickly began to unravel when Trafalgar attempted to acquire Northern Electric, the UK utility, in a £1.1bn hostile bid launched in December 1994. The bid was prolonged when the electricity regulator decided to reopen the pricing controls for the industry and problems began at Trafalgar. These included difficulties at Cunard, the shipping line, and mounting losses in parts of its engineering division.

Since Jardine's property arm, Hongkong Land, first started building up its 26 per cent stake in October 1992, £1.22bn of Trafalgar's net assets have evaporated, through a proliferation of provisions, rationalisations and operating losses.

The decision whether to sell Trafalgar at a loss will be made in Jardine's headquarters in the City, in surroundings more akin to an old-fashioned club than a corporate nerve-centre. In addition to Henry and Simon, the decision-making core includes Rodney Leach, the former Rothschild's banker, and Sir Charles Powell, foreign affairs adviser to Lady Thatcher.

when she was prime minister. Simon is the youngest son of Sir William Keswick, a former director of the Bank of England. A director of Jardine Matheson, he is the more sociable of the two, the man sent in to sort out businesses when they go wrong. It was Simon who returned to Hong Kong in 1982 to sort out the group after collapsing property prices and rising interest rates brought Hongkong Land close to collapse.

Henry, the eldest son and Jardine chairman, is described by insiders as the strategist who set the direction for the group. One former colleague says he is "like a 19th-century grandee" in the tradition of the taipans who headed the colony's family-controlled trading companies.

Born in Shanghai in 1933, Henry can remember the takeover of Jardine's Chinese businesses by the communists in 1949. It has clearly left a mark on him: giving evidence to a Commons committee in 1988, he referred to China's regime as "Marxist-Leninist, thuggish, oppressive".

Jardine was once the partner of choice for any large

project in the colony, with impeccable connections in Britain and expatriate Hong Kong. His fingers were in most of the territory's more lucrative pies, from Hongkong Telecommunications and Hong Kong Electric to a diverse property portfolio. But for the past 25 years Henry's aim has been to reduce the group's exposure in the colony. This has accelerated in the lead-up to the Chinese takeover.

Under his guidance, its holdings there fell to only 30 per cent of its assets during the early 1970s. But acquisitions abroad proved unrewarding. In the late 1980s, for example, Jardine acquired Kwik Save, the UK discount grocer, which has subsequently underperformed the UK market by 30 per cent, and Simago, the Spanish retailer which has turned in five years of losses. In 1991, Jardine agreed to pay \$60m compensation to the shareholders of Bear Stearns, the US investment bank, after pulling out of buying a stake after the 1987 worldwide markets crash.

By 1994, Hong Kong still accounted for 56 per cent of the group's profits. And Jardine recently sig-

nalled greater confidence in the territory by making its first bid in more than a decade for land at a government auction. The Keswick brothers have been wooing those who are likely to be power-brokers after the 1997 handover - they recently lunched with Mr Zhou Nan, China's quasi-ambassador to Hong Kong.

It seems to be paying off. Beijing seems likely to lift its veto on Jardine's investment in the port. And the company recently formed a consortium to develop and operate a river trade terminal with partners that include Mr Li Ka-shing's Hutchison Whampoa, and Cosco Pacific, the Hong Kong arm of China's largest shipping group.

However, there has been a political cost to this. The Chinese authorities started harping back to Jardine's opium trading history, and accused Jardine of trying to undermine stability in Hong Kong.

When a Jardine-led consortium won the right to develop Hong Kong's ninth container terminal in late 1992, it was blocked by Beijing. By contrast, Citic Pacific, the Beijing-backed investment group, has built up a broad-based portfolio in the past five years, trading on its Chinese connections.

Recently, Jardine's operational managers have been more enthusiastic about China, and it operates a rapidly growing number of joint ventures in China. The group's directors have become frequent visitors to Beijing.

And Jardine recently sig-

ned a deal with the Chinese government to invest in a new port in the province of Guangdong. The deal is expected to be completed in the next few months.

At the same time, the group pursued a policy described as getting a foreign passport, just in case things went wrong in Hong Kong after 1997. In 1984, it moved domicile to Bermuda, provoking a massive sell-off in the Hong Kong stock market. In January 1995 it delisted its shares in Hong Kong.

It is perhaps fortunate for the Keswicks that they have never really had to account to their shareholders for the group's ups and downs. Henry is said to refer to Jardine as "my company", although the Keswick family controls only 10 per cent of the equity. And while Jardine has pounced on mismanaged businesses such as Trafalgar, its own management is protected by complex cross-shareholdings between group companies.

As one senior Hong Kong executive says: "If the Keswicks had been as skilful at running their business as they have been at protecting the family interests, Jardine would be one of the world's great companies."



Robert Corzine on the threat posed by the BP/Mobil merger

When garages fail to make the grade

Motorists who collect oil company stickers will need to get into gear if they are to complete their collections - because some famous names on Europe's forecourts may soon disappear.

This week British Petroleum and Mobil, the second largest US oil company, announced an ambitious merger of their refining, marketing and lubricants assets across Europe. The aim is to cut costs in businesses where profit margins have been shrinking steadily.

For the public the most noticeable result of the merger will be the disappearance of 3,600 Mobil service stations across Europe. Over the next two years most of them will be redecorated in BP's green and yellow livery at a cost of about £200m.

But for the European oil industry, the planned partnership is more than just a commercial alliance: it is an omen of even more radical restructuring to come.

"It can only speed up the inevitable shakeout," said one industry expert this week. And it is a shakeout that many in the industry believe could end in the disappearance of some famous names.

"We are seeing naked capitalism at work," says Mr Bruce Petter, head of the UK Petrol Retailers' Association, a trade group for independent petrol station owner/operators.

In recent weeks service station operators across the UK have seen their margins pared back to some of the lowest levels ever experienced by the industry. The reason is the Price Watch campaign launched by Esso, the European subsidiary of Exxon, the US oil giant, in which it promises to match the lowest prices around its stations.

"Nowhere in Europe have margins ever been as bad as in the UK," says one industry expert.

Some oil company executives, including Sir David Simon, BP chairman, believe Esso's campaign is no different from many previous price cutting exercises launched by various oil companies, including BP. But others are not so sure. Esso is "trying to force massive change on a scale never before experienced in western Europe," says one executive who monitors prices and trends across Europe.

The fact that BP and Mobil, two of the more efficient international oil companies, have joined forces is an indication that competition, which is already fierce, promises to get tougher. The partnership will create the second largest oil retailing company in Europe, with a 12 per cent share of the market. That places it just behind Royal Dutch Shell and ahead of Exxon.

Other companies in the industry which have survived for decades are now "thinking the unthinkable," according to Mr Petter, and considering withdrawal from the market. The reason is that the oil companies in Europe operate too

Opinion polls suggest Spain will vote for change in Sunday's election, says David White

An exhibition of democracy



Power struggle: Jose Maria Aznar, Popular party leader (pictured left), and Felipe Gonzalez, Socialist prime minister

5 per cent based their choice on the party's political and economic programme.

Neither of the main parties has offered much to inspire voters. With rare exceptions, it has been an unifying, low-level campaign. Any serious discussion of manifesto issues - job creation, the pace of economic liberalisation, prospects for tax cuts, relations between Madrid and the regions - has been second place to mutual denigration.

If Mr Gonzalez loses, it will be because enough Spaniards think it is time he lost - and because Mr Aznar's party has succeeded in persuading middle-of-the-road voters that it is a forward-looking alternative, not a returning ghost of the old Spanish right.

The elections are also about generations. The Socialists, led by people in their late 30s and

early 40s when they came to power, have failed to renew their party. The beards have greyed. Their strongest vote is now among the old, who like their safe pensions and have the longest memories. The Popular party leadership is 10 years younger, and has more appeal among youth.

Tomorrow, people born after Franco's death in 1975 will for the first time vote in a general election. Mr Aznar did not enter politics until democracy was already installed and Mr Gonzalez was leader of the opposition.

But Mr Gonzalez, about to turn 54, is not yet ready to be placed in a glass showcase. He has campaigned hard and appears to have enjoyed himself. In the past, coming back from the dead has been almost his party trick. He did it in 1979, when he briefly quit the

Socialist leadership to force the party to jettison Marxism. Ten years ago he almost brought about his own demise by holding a referendum on Nato. In the last election in 1989, he was expected to lose and won by almost 1m votes.

Opinion polls last weekend showed the Socialists trailing up to 11 points behind the Popular party. Mr Gonzalez might narrow the gap by picking up voters who were previously undecided or tempted to opt for the Communists, but senior Socialists fear the party is in decline and that any recovery will be too late.

Last time, the Socialists managed to win in a recession.

This time, the Socialists want to lose when the economy is looking relatively good, with prospects for sustained non-inflationary growth.

Mr Gonzalez, his reputation somewhat restored by

Spain's successful stint in the EU presidency in the second half of last year, wants at least to lose well.

He could still spoil Mr Aznar's day if the Popular party fails to obtain an outright majority, or a comfortable lead over other possible combinations of forces in parliament. Its only viable partners would be regionalist parties, but its touchy relations with the main Catalan and Basque parties have worsened during the election campaign.

In any case, there is no record of coalition government at national level since the ill-fated republic of the 1930s. The Basque region is the only place where coalitions have worked.

The most plausible outcomes of the election, therefore, are a clear Popular party victory, or a bit of a mess. The third

party, expected to consolidate its position is the United Left, led by the communist Mr Julio Anguita. He says he will vote against a Popular government. On the other hand, the Socialists are not prepared to strike a deal with the United Left as long as the fiery Mr Anguita is in charge.

Mr Aznar argues that Spain's proportional representation system, which is weighted in favour of the larger parties, is designed to produce stable majority governments.

But in the six general elections so far, only three have produced an outright majority - the first three Socialist legislatures. And the disappearance of the Democratic Centre Union, the centrist party that guided Spain through the first steps of its restored democracy, has created an anomaly: since 1982, Spain has had a governing party with experience of opposition, but not an opposition with experience of government.

If the Popular party fulfills expectations tomorrow, this missing link in Spain's transition to democracy will be completed. The sense that there is still unfinished business in the transition pervades the campaign. The word "democracy" itself is banded about with a frequency that would seem unnatural in most countries.

Mr Aznar depicts his expected victory as an act of "democratic hygiene". Certainly, the recent scandals have brought the political system into disarray. A recent European Commission survey showed only 36 per cent of Spaniards satisfied with the workings of their democracy, the lowest figure in the EU apart from Italy.

One Socialist minister compares this to an adolescent phase. The country got its democratic constitution just over 17 years ago. "It's the age when you get spots," he says. From next week Spain should start to grow out of it.

The four-gun family in their sights

US gunmakers are on the offensive, says Richard Tomkins

At the John Jovino Gun Shop, deep in the heart of New York's Chinatown, the counter is stacked with revolvers and pistols. Smith & Wesson, Colt, Beretta, Browning - all the big names are there. The only thing missing is the customers.

Mr Frank Ingrassia, the store's manager, says sales have tumbled by 30 per cent and 40 per cent over the past year or so. A man inclined to understatement, he remarks: "The atmosphere for sales is not good."

Figures for the whole of the US are not yet available, but gun sales have undoubtedly fallen. Earlier this month the attorney-general of California reported that gun purchases had plummeted by 31 per cent within the state last year. Manufacturers say that probably reflects the rate of decline elsewhere.

Statistics like these should have anti-gun campaigners crowing with triumph. But while the gun-control lobby has scored some recent successes in Congress, it has not broken America's love affair with the gun. The real explanation for the sales decline is rather more prosaic: the market is suffering from a glut.

The trouble with guns, at least from the makers' point of view, is that they do not need replacing every once in a while like other consumer durables. Guns last for decades and seldom get thrown away.

It is thus not only the brand names that may disappear. In many rural areas, the local service station could soon be a thing of the past.

According to the Bureau of Alcohol, Tobacco and Firearms, 223m guns

have been manufactured in the US or imported since the turn of the century.

While some may have found their way to the bottom of New York's East River or other popular disposal points, the bureau assumes that most are still in circulation.

On that basis, there is one gun for nearly every man, woman and child in the US. But a fairly consistent 50 per cent of households own no guns, with no desire to do so. The other 50 per cent are armed to the teeth, owning an average of 4.5 guns each.

Many of these guns are also comparatively new. In 1993, Congress passed the Brady Law, which imposed a five-day waiting period on handgun purchases. The following year it limited magazine capacity to a maximum of 10 rounds and banned 19 types of assault weapons. Ahead of those moves, there was a frenzy of buying as Americans rushed to beat the legislation: the number of guns made in the US jumped from 3m in 1992 to 5.1m in 1993.

"Are we at saturation point? It's certainly something the industry doubts," says Mr Paul Jannuzzo, vice-president and general counsel for the US arm of Glock.

Mr Jannuzzo says gun manufacturers worry about the growing number of single-parent families "because grandpa or dad isn't taking the kid out into the field to teach him how to

shoot any more". Other concerns include a decline in the number of

MARKETS REPORT

Dollar rallies

By Graham Bowley

The dollar rallied on the foreign exchanges yesterday after the Japanese Tankan report dampened speculation of an imminent rise in Japanese interest rates and data showed a large rise in the Bank of Japan's foreign exchange reserves.

The increase in reserves last month was the first official hint of the extent to which the Bank of Japan intervened to support the dollar in February.

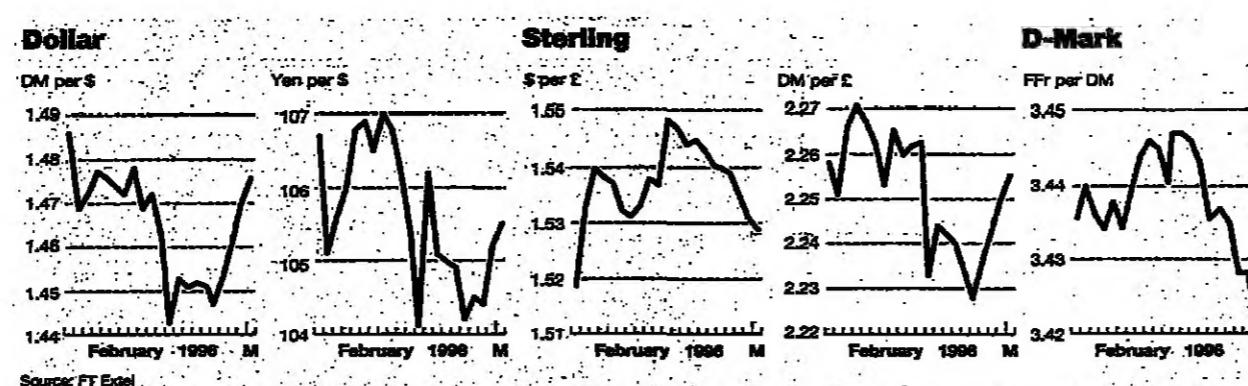
The dollar was also boosted by a strong rise in US government bonds on speculation that US interest rates might fall soon.

But the D-Mark weakened on growing expectations that German interest rates might be cut despite the Bundesbank's decision to leave rates on hold after its council meeting on Thursday.

The pound had a good day, pulled higher by the dollar. It

finished at DM2.2558 against the D-Mark, from DM2.35 at the previous close. It closed weaker against the dollar at \$1.5284 from \$1.5309.

Expectation of further cuts in UK interest rates were raised after the UK purchasing managers' survey showed manufacturing conditions deteriorated last month. The December short sterling contract on Liffe rallied by 0.21 point to \$3.79 in late trading.



Source: FT Estat

L1.063 from L1.058. The French franc closed at FFR3.426 from FFR3.423 against the D-Mark.

general worldwide rally in government bonds and lifted the dollar higher.

It was good news for bond markets worldwide ending speculation that highly geared investors would be hit by a Bank of Japan monetary tightening," said Mr Nick Stamenovic, an economist at DKB in London.

Data showed that the Bank of Japan's foreign exchange reserves rose by \$17bn last month to a record \$193.8bn. Most of this increase was built up by the central bank's

repeated intervention to prop up the dollar against the yen, analysts said.

"People have seen the size of the intervention as a strong argument for the dollar," said Mr Mark Cliffe at HSBC Markets.

But he said the data could also have been interpreted as a negative factor for the dollar since it showed there was "almost a complete lack of other buyers of the US currency."

A wide-ranging survey of investors by Merrill Lynch

published

this week

showed

that

investors

had

little

impact on the markets.

But Mr Stamenovic said he still expected the Bundesbank to cut the discount rate by another 0.5 point soon.

POUND SPOT FORWARD AGAINST THE POUND

Mar 1	Closing mid-point	Change on day	Brokerage spread	Day's mid-high	One month	Rate %pa	Three months	One year	Rate %pa	Bank of England Index
Europe										
Austria (Sch)	15.8848	-0.0404	570 - 726	15.8809	15.8518	15.8246	2.3	15.7623	2.8	106.0
Belgium (BF)	14.5755	+0.1163	365 - 426	14.4642	14.3170	14.45142	2.7	14.4524	2.5	108.2
Denmark (DK)	8.7151	-0.0207	113 - 184	8.7335	8.7094	8.6823	1.5	8.6562	1.6	108.0
Finland (FM)	6.9585	+0.0084	800 - 730	6.9540	6.9470	6.9337	0.8	6.9468	0.7	84.3
France (Fr)	11.8168	-0.0055	100 - 120	11.7516	11.7006	11.7006	1.4	11.7024	1.4	104.4
Germany (DM)	2.2588	+0.0029	547 - 569	2.2585	2.2531	2.2435	0.2	2.2521	0.2	110.2
Greece (Dr)	1.3689	-0.0181	501 - 521	1.3710	1.3678	1.3678	0.2	1.3678	0.2	85.2
Ireland (I)	0.9718	-0.0003	708 - 723	0.9728	0.9708	0.9708	1.2	0.9695	0.7	97.8
Italy	1.3675	+0.1653	366 - 444	1.4642	1.4170	1.45942	2.5	14.0542	2.5	108.2
Luxembourg (LF)	1.1763	-0.0021	274 - 285	1.1750	1.1750	1.1750	0.2	1.1750	0.2	107.9
Netherlands (NL)	1.1610	-0.0018	210 - 220	1.1620	1.1620	1.1620	0.2	1.1620	0.2	105.7
Norway (Nkr)	8.8104	-0.0118	770 - 759	8.8226	8.8000	8.7933	0.8	8.7745	0.8	95.8
Portugal (Ps)	12.3384	-0.0222	708 - 059	12.3618	12.3463	12.3397	-2.2	12.3434	-2.2	95.2
Spain (Pta)	189.759	+0.358	640 - 877	190.202	189.823	189.823	-2.7	190.578	-2.7	81.9
Sweden (Skk)	10.3380	+0.0024	265 - 474	10.3741	10.2944	10.3351	-0.2	10.3381	-0.1	87.2
Switzerland (Fr)	1.3892	-0.0044	380 - 404	1.3853	1.3860	1.3862	4.3	1.3848	4.3	113.5
UK (P)	1.2181	-0.0021	185 - 196	1.2118	1.2102	1.2102	1.4	1.2129	1.3	120.1
Euro	-	-	-	-	-	-	-	-	-	-
SDR	-	-	-	-	-	-	-	-	-	-
Americas										
Argentina (Peso)	15.8848	-0.0404	570 - 726	15.8809	15.8518	15.8246	2.3	15.7623	2.8	106.0
Brazil (Rs)	1.5077	-0.0038	231 - 043	1.5084	1.5007	1.5007	-	-	-	-
Canada (Cs)	1.5077	-0.0038	231 - 043	1.5084	1.5007	1.5007	-	-	-	-
Mexico (New Pesos)	11.8036	-0.0161	829 - 143	11.8302	11.5208	11.5206	1.0	12.1570	1.0	95.8
USA (Usd)	1.5284	-0.0020	280 - 280	1.5282	1.5282	1.5282	-	-	-	-
Pacific/Middle East/Africa										
Australia (A\$)	0.0072	-0.0051	050 - 084	0.0084	0.0068	0.0068	-1.1	0.0088	-1.1	90.0
Hong Kong (Hkd)	11.8168	-0.0018	130 - 207	11.8482	11.7887	11.8254	1.1	11.8113	0.8	117.85
India (Rs)	1.5077	-0.0038	231 - 043	1.5084	1.5007	1.5007	-	-	-	-
Ireland (Erl)	4.7409	-0.0094	385 - 485	4.7500	4.7424	4.7424	-	-	-	-
Japan (Yen)	161.178	-0.1723	083 - 273	161.750	161.050	161.34	5.7	158.75	5.8	107.8
Malaysia (Ms)	3.6903	-0.0117	865 - 920	3.9028	3.8382	3.8382	-	-	-	-
New Zealand (Ns)	2.2679	-0.006	584 - 692	2.2789	2.2640	2.2777	-2.0	2.2690	-3.0	105.5
Philippines (Peso)	40.0135	-0.0272	296 - 004	40.1004	39.9268	39.9268	-	-	-	-
South Africa (Sar)	2.1981	-0.0028	568 - 584	2.1981	2.1981	2.1981	-	-	-	-
Singapore (S\$)	5.0533	+0.0285	436 - 423	5.0816	5.0867	5.0867	-	-	-	-
South Africa (Rands)	1.0861	-1.96	535 - 674	1.1082	1.1183	1.1183	-	-	-	-
Taiwan (Twd)	42.0289	-0.0087	154 - 140	42.1337	41.9260	42.1337	-	-	-	-
Thailand (Bt)	38.5478	-0.0477	208 - 718	38.6270	38.4765	38.6270	-	-	-	-
Yuan	-	-	-	-	-	-	-	-	-	-
SDR	-	-	-	-	-	-	-	-	-	-
Other										
Argentine (Peso)	15.8848	-0.0404	570 - 726	15.8809	15.8518	15.8246	2.3	15.7623	2.8	106.0
Brazil (Rs)	1.5077	-0.0038	231 - 043	1.5084	1.5007	1.5007	-	-	-	-
Canada (Cs)	1.5077	-0.0038	231 - 043	1.5084	1.5007	1.5007	-	-	-	-
Mexico (New Pesos)	11.8036	-0.0161	829 - 143	11.8302	11.5208	11.5206	1.0	12.1570	1.0	95.8
USA (Usd)	1.5284	-0.0020	280 - 280	1.5282	1.5282	1.5282	-	-	-	-
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Australia (A\$)	0.0072	-0.0051	050 - 084	0.0084	0.0068	0.0068	-1.1	0.0088	-1.1	90.0
Hong Kong (Hkd)	11.8168	-0.0018	130 - 207	11.8482	11.7887	11.8254	1.1	11.8113	0.8	117.85
India (Rs)	1.5077	-0.0038	231 - 043	1.5084	1.5007	1.5007	-	-	-	-
Ireland (Erl)	4.7409	-0.0094	385 - 485	4.7500	4.7424	4.7424	-	-	-	-
Japan (Yen)	161.178	-0.1723	083 - 273	161.750	161.050	161.34	5.7	158.75	5.8	107.8
Malaysia (Ms)	3.6903	-0.0117	865 - 920	3.9028	3.8382	3.8382	-	-	-	-
New Zealand (Ns)</										

مكتبة المجلة

Weekend FT

Patricia Walker on a little-known campaign by Mikhail Gorbachev that sought to stamp out the scourge of the former Soviet Union

Comrades who tried to dry out Mother Russia

The prime minister of Ireland was waiting on the tarmac at Shannon airport. The jet taxied to a standstill. The boarding ladders were ready; nothing happened. Officials shuffled their feet in embarrassment. But of their guest there was no sign. The Russian president, Boris Yeltsin, was, they were eventually told, "too tired" after such a long flight to descend from his aircraft. The visit – in September 1994 – was summarily cancelled.

Albert Reynolds accepted the explanation with typical courtesy but back in Russia, Alexander Rutskoi, the country's former vice-president, began to describe people as "being in a permanent state of visiting Ireland". Every Russian knew what it means.

In spite of concerted efforts by the state to curb alcohol abuse, Russians are still the world's heaviest drinkers.

Vodka was an escape from poverty under the tsarist regimes and from oppression under communism. It remains a huge obstacle to efficiency and economic progress, in spite of a heroic attempt by President Mikhail Gorbachev a decade ago to change the nation's habits. It was, by any standards, an extraordinary campaign, backed by the full might of the Soviet state and its propaganda machine. Although little was known about it in the west, the campaign's ambitions were comparable with those of the Prohibition in the US during the 1920s. And it ended, like the Prohibition, in wretched failure.

This strange and hitherto obscure chapter of Soviet history has been documented by Stephen White, of Glasgow

University's Department of Politics. His study, *Russia Goes Dry*, makes depressing reading for anyone who hopes that the law can control popular addictions.

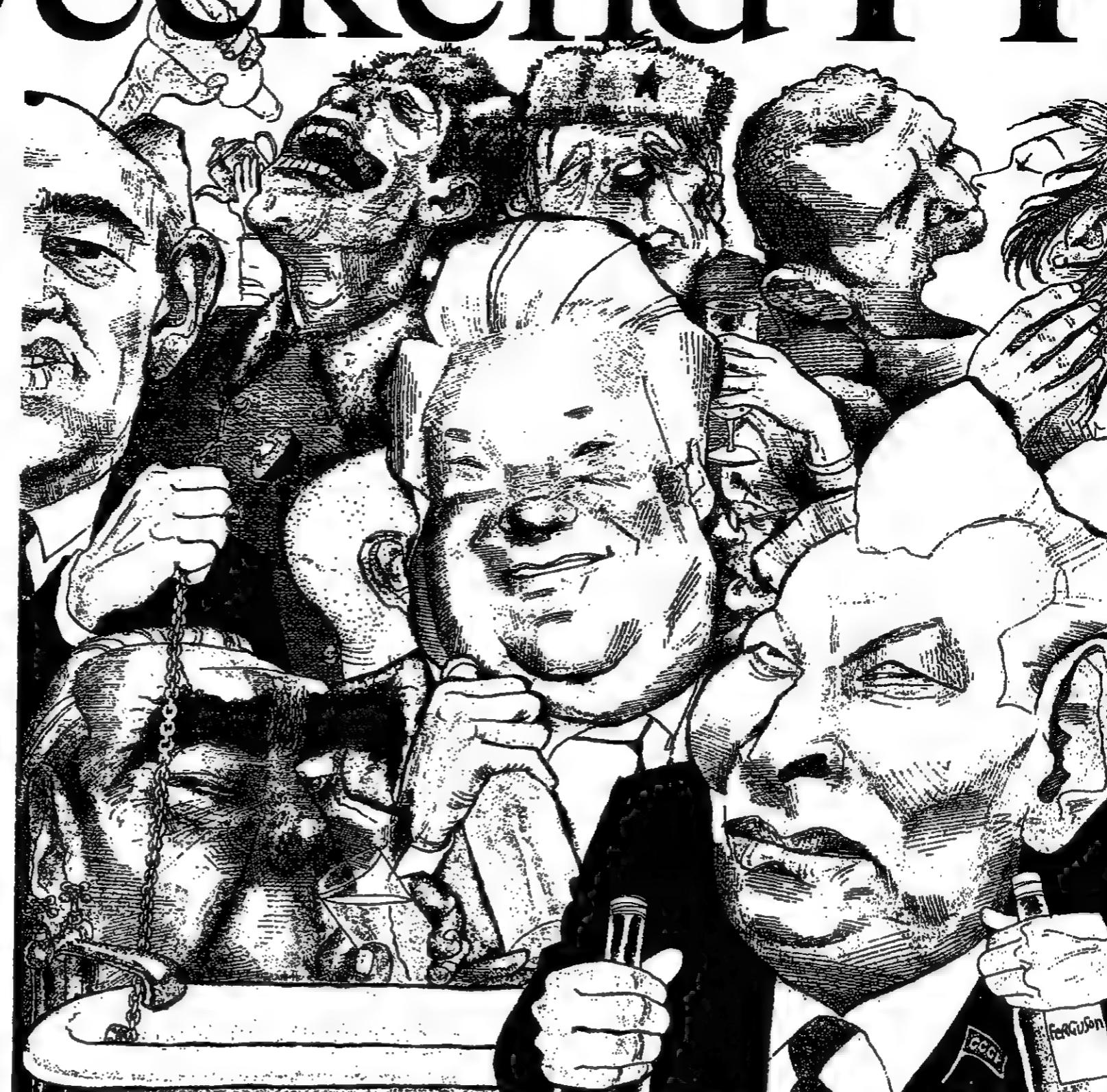
In the case of Russia's anti-alcohol drive, the reformers were battling against an ancient tradition. A thousand years ago, Grand Prince Vladimir advised his subjects: "Drinking is the joy of the Russes. We cannot do without it."

They heeded him so much that Russians are said to have embraced Christianity rather than Islam, partly because it allowed them to drink.

And 500 years later, the Venetian ambassador in Moscow observed that the Russians were "great drunkards and take a great pride in this, despising abstainers". Even in monastic communities, a 16th century English traveller found there were notorious drinkers in the same century, girls of nine or 10 were made to drink so that they would dance at weddings, according to contemporary reports.

Eulogies to alcohol continued into the present century, the writer, Mayakovsky, advised his fellow countrymen: "It is better to die of vodka than of boredom." Later, when the government restricted vodka sales, Russians turned to anti-freeze, brake fluid, perfume-Cologne and shoe polish.

Conscripts in the armed services, who were forbidden alcohol, were sent vodka through the post, concealed in toothpaste tubes or hot water bottles. The crew of a Soviet tank, lost on manoeuvres in Czechoslovakia, sold the vehicle to a local cafe owner for two crates of vodka; and the MiG25 fighter bomber which needed 14 tons



of jet fuel and half a ton of alcohol for its braking system was commonly known in the Soviet air force as the "flying restaurant".

By the 1980s it was clear that unashamed public drunkenness was harming the nation's health and economy. Worst of all, Russia had drunken soldiers. Civilians and the military were prepared to risk lives to satisfy their addiction.

If Yeltsin did get drunk on the flight to Ireland, he was following a long tradition of inebriation among party bosses. Leonid Brezhnev, when he was general secretary, scandalised both the West and East German leaders Helmut Schmidt and Erich Honecker, by insisting that they kept him company in drunkenness, glass for glass. Konstantin Chernenko was the only Soviet leader to rival Brezhnev's consumption. He died in 1985,

apparently of cirrhosis of the liver.

The people took example from their masters, revelling in stories of excess. A man bit an Alsatian dog that sprang at him after sniffing vodka on his breath. Another inebriated Muscovite was jailed for five years for climbing on to a dome of St Basil's Cathedral in Red Square. More prosaically, the former Communist party first secretary in Minsk was arrested for attempting to sell 500,000 bottles of vodka on the black market.

Consumption of absolute alcohol quadrupled in the four decades after the second world war; one in seven of the population was classified as alcoholic; heavy drinking was starting in schools; young women were taking to the bottle; and the numbers of babies born with mental and physical defects increased. Drink was

the main cause of divorce.

Alcohol was also blamed for increases in traffic deaths, suicide and drowning, and rises in cirrhosis of the liver, venereal disease, difficulties in pregnancy, infertility and impotence.

All this had a devastating effect on a sick economy. In 1985 *Izvestia* reported that as many as 27m salaried workers had serious problems with alcohol. They were so drunk, or ill from drinking, that at least two days a week they did not show up for work. An investigation into 800 Moscow enterprises found that in the last hour of each shift, only 10 per cent of the workers were still at their posts.

Something had to be done. Gorbachev urged on by his wife Raisa, whose brother's life had been ruined by alcohol – conceded that alcoholism was deeply rooted in Soviet society.

It could no longer be dismissed as a legacy of pre-revolution decadence. So he launched a two-pronged attack on alcoholism. First, he used the centralised powers of the state to make draconian cuts in production and sales of vodka. At the same time, he orchestrated a huge education and public awareness campaign.

After an encouraging start in 1985, when alcohol consumption seemed to be falling sharply, his plan to "save the genes of the Soviet people" faltered. By the early 1990s, consumption of hard liquor was back to normal. And it is greater today than before the campaign was launched. In

Russia, as in the US in the 1920s, the compulsion to drink overcame all official attempts to stop it.

The speakeasies, mobsters and jazz musicians which gave Prohibition in the US glamour were absent in Moscow. There, the anti-drink campaign was run by small-time bureaucrats: grey figures compared with gun-toting anti-heroes such as Al Capone and Mayer Lansky.

Moscow had no equivalent. Russian housewives jostled with moonshiners, queuing for hours in the cold for the trickle of vodka available from official outlets. Demand for

Continued on page II

Joe Rogaly

Call for a superhero

Government needs miracle men. But where does it leave the poor voter?

Help, this is a case for Superman. Or Batman. Or Sherlock Holmes. Or anyone possessed of powers extraordinary enough to give hope that he – there are few in the superhero business – can get the villains in charge off the hook.

A fortnight ago the magic name was Ron Dearing. He was called upon by Britain's education secretary and her Labour opposite number. They begged him to invent policies for higher education that they, the responsible politicians, were afraid to articulate. They can trust Sir Ron. He will crunch the universities. He has no elections to lose.

Every government needs a Ron Dearing or two. Most have them. Between the first and second world wars Walter Monckton rose to the top of the swing-to-the-rescue profession. His clients included the Nizam of Hyderabad and King Edward VIII. He was trusted by the main players in the abdication drama, although they were at odds with one another. In the 1950s, as minister of labour in Churchill's government, his brief was to preserve industrial peace. His methodology will be familiar to readers with pre-1979 memories. "On what terms did you settle the dispute?" "Theirs of course old boy."

You should expect nothing

less of any professional fixer. Fixers fix. That is what they know how to do. Harold Wilson put it best: "There is a time in the affairs of governments," he wrote in 1978, "when deadlock becomes total, and ordinary human agencies are impotent to deal with the situation; the superhero is invoked, and a telephone call is put through to Lord Good-man." This large legal gentleman was the late Labour prime minister's confidante. A miracle man.

He is one of a collection of so-called troubleshooters whose doings are described in a new book by Trevor Smith and Alison Young. Professor Smith, vice-chancellor of the university of Ulster, has a long pedigree in political studies. Alison Young is a researcher. Their other designated firefighters are Oliver Franks, who reported critically on the Falklands but adduced a thimbleful of whitewash enough to save the government's skin; Edwin and Bridget Plowden, two selfless public servants; Michael Young, founder of the Consumer's Association and much else; and Derek Rayner and Roy Griffiths, who introduced the principles of shopkeeping to British administration.

Call me picky, but the above good folks are or were not all fixers, at least not in the sense of devoting their lives to the

skill of going between disputants and settling for the best that arm-twisting and cajoling can produce. That is a useful function, particularly when carried out to such spectacular effect as by Richard Holbrooke in Bosnia, but our heroes and heroine cannot be described as wheeler-dealers alone. They wheeled and dealt, but most of them also worked painstakingly at their

Only Nero made the mistake of not calling in a firefighter

deals, read late into the night and produced volumes of great-and-good advice.

All were in some sense outsiders. Unlike Lord Monckton, none was both an Anglican and an old Harrovian. The Lords Franks, Plowden and Goodman were respectively Congregationalist, Roman Catholic and Jew; none attended posh establishment schools. Lord Young was born of an Irish mother and an Australian father and his mind was trained at Dartington in Totnes, Devon. Lord Rayner was the first managing director

of Marks and Spencer who was not a member of the Sief family. Sir Roy Griffiths was the first non-family member to reach the board of J. Sainsbury.

Like every successful incomes, they knew a thing or two about making and keeping contacts. You naturally look to people you know and trust when you want help with whatever task you have been given. In return your appointees are expected to scratch your back. If they are decent, they do. As the authors remark of one of them – it does not matter which, it could have been any – "his old boy network more than compensated for his lack of an old school tie!"

They are all famous for something or other, notably Lord Plowden, for, among other things, laying the foundations for the Treasury's public spending reviews and his wife for a celebrated, though not universally accepted, report on primary schools.

The exiles from Marks and Sparks and Sainsbury introduced contemporary management techniques to British administration and the National Health Service. Lord Franks did just about everything related to diplomacy and politics; Lord Goodman everything else.

It is at this point that my mind wanders away from the

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PERSPECTIVES

When the millennium comes, it will bring storms severe enough to disrupt electric power transmission, telecommunications networks and even radio broadcasts on a huge scale.

These storms will take place not on earth, but in space. The most visible sign to human eyes – even more visible if the lights are extinguished by power failures – will be spectacular and widespread displays of the auroras, the northern and southern lights, as the outer reaches of the earth's atmosphere are buffeted by high energy particles streaming outwards from the sun.

The weather in space, at least in the bit of space where we live, is dominated by the solar wind, a stream of energetic particles spilling outwards from the sun at thousands of miles an hour. About 60,000 km upwind of us the particles meet the magnetosphere, the part of space dominated by the earth's magnetic field.

The effect, according to Alan

Storms brew for the millennium

Solar winds which buffet the earth's atmosphere can have a powerful effect on the planet

Rodger of the British Antarctic Survey, is "like a stone in a stream". The wind is diverted around the magnetosphere, compressing it on the upwind side of the earth and dragging it out on the downwind side into a huge tail hundreds of thousands of kilometres long.

The same process generates the auroras. Particles from the solar wind diverted around the earth by its magnetic field enter the upper atmosphere at high latitudes. The ionosphere, as the charged upper layers of the atmosphere are known, "acts like a TV screen for what's going on out there", says Rodger.

As particles from the solar wind

strike oxygen atoms in the ionosphere, they emit light. The light is intensely coloured – most of it is either green or red – but it usually looks white to the human eye because we cannot distinguish the colours of very dim lights.

Unfortunately the solar wind does not blow steadily. "The surface of the sun looks like a pan of boiling toffee," says Rodger. Every so often the toffee bubbles and belches out a cloud of high energy particles that race towards the earth at thousands of kilometres a second, a "coronal mass ejection".

Nobody knows exactly what causes a CME but the events are linked to the occurrence of sunspots, relatively cool patches of intensely magnetic material that appear on the surface of the sun. The frequency of CMEs waxes and wanes with the 11-year sunspot cycle. The next peak in sunspot activity will coincide with the millennium.

The sudden shower of particles in a CME wreaks havoc with satellites. "In a storm a satellite can lose power from its solar panels, and get glitches in its control signals," says Rodger.

The charged particles cause stray electric currents in the satellite's electronic circuitry, which can be confused with command signals. In 1994 a storm caused a Canadian television satellite to turn its solar panels away from the sun. The satellite's batteries drained and it lost power, drifting out of control until its solar panels came into the sunlight again six months later.

The sudden gusting in the solar wind causes huge electric currents in the upper atmosphere, according to Tudor Jones of the Radio & Space Plasma Physics Group at the University of Leicester. The "battery" that drives the atmospheric currents is set up by the movement of the charged magnetic particles in the solar wind around the upper magnetosphere.

The electric fields in the outer magnetosphere drive a current in the ionosphere – about 100km above the earth's surface – which

is also made more conductive by the effects of the solar wind. According to Jones, it is these currents – which can reach tens of thousands of amps – that induce the fluctuations in voltage that bring down power lines.

The currents in the ionosphere will induce a voltage in any long piece of metal. Pipelines are particularly vulnerable. During its construction, the Alaskan oil pipeline used to generate huge sparks. "Now it has a wire running to earth about every 10 metres," says Jones.

Solar storms also affect oil drilling, says Jones. In an oil well it is important to drill several holes that fan out in different directions

and do not interconnect. The drill is steered by a magnetic compass. During a storm the earth's magnetic field can change by enough to send the drill in the wrong direction.

Space weather forecasts are now available* from the Space Environment Center in Boulder, Colorado, but they are not yet very accurate, particularly in the long range. At present about 60 per cent of storm warnings are false alarms, and about 60 per cent of storms are missed.

To produce better forecasts scientists need more fundamental information about how the solar system works. It is hoped that new space missions, like the Polar satellite launched by Nasa last week, will provide the space weathermen with something more reliable than a piece of sea-weed.

*Also on the internet at <http://www.sel.bldrdoc.gov>

■ The author is professor of psychology at the University of Nottingham.

Minding Your Own Business

Problems of design ownership

Jonathan Guthrie spotlights a small company in a big store wrangle

The clean curves of the Flexo, a brushed aluminium reading lamp, have made it a Spanish design classic.

It is so common and so timeless that set dressers used it in both the film *Barcelona*, set in 1930 Catalonia, and in Pedro Almodóvar's *The Flower of My Secret*, whose *miss en scène* is present-day Madrid.

The lamp is appearing in British homes, too, thanks to Jonathan Cahill, a 45-year-old former advertising executive.

But his venture shipping the Flexo to the UK and distributing it through design-led home furnishings shops has suffered a setback: he has become embroiled in a dispute over design copyright with Habitat in a disagreement that highlights the problems small entrepreneurs can run into over design ownership when dealing with big store chains.

It echoes a more highly publicised wrangle, in which clothes designer Liza Bruce has alleged that Marks and Spencer infringed her copyright on some swimsuit designs – a claim which M&S says has no substance.

Cahill's first encounter with the Flexo was while he was staying with Spanish friends in Majorca in 1993. "I saw the lamp in a little shop," he says. "I thought it was rather attractive and was also surprised by how competitively priced it was."

"I mentioned this to my friends but they dismissed it with scorn, because the Flexo is such an everyday item to Spaniards."

A year later, Cahill, who is part-Italian, part-Polish and has a passion for all things Spanish, encountered the lamp in another shop, this time while travelling in Andalucia. He bought one as a sample and began to think seriously about trying to import it to Britain.

He had the advantage of considerable marketing experience in what was to turn out to be a sales-led exercise – trying to persuade the right sort of shops to stock his product. He worked for 17 years for advertising agencies including Saatchi & Saatchi, and Davidson Pearce.

What he lacked was practical experience of electrical wholesaling. Having found a Barcelona-based manufacturer prepared to supply him at reasonable cost, he discovered that the Flexo failed British safety standards.

It cost Cahill almost a year of delays and £1,000 in laboratory testing fees before the lamp was suitable for the UK market. Luckily the testing house that gave the Flexo the initial thumbs-down was an invaluable source of advice on modifying it. The entrepreneur took the changes back to his contacts in Spain, who agreed to supply him with units made to the changed specification.

By autumn of 1994 the British version of the Flexo was ready to be marketed. The biggest outlay turned out to be on the stock itself. The smallest order the manufacturer will accept is £3,000. Cahill reckons that Z – the company registration he took over from his wife Diana, a self-employed advertising consultant – has around £10,000 tied up in stock at any one time.

Cahill finances this outlay, and all Z's other expenses, from turnover; his savings and an £8,500 overdraft facility from Lloyds bank.

Cahill found distributors for the lamp by driving around the country with a boot full of samples. He would stop at likely-looking shops where he would convince the manager to buy a few Flexos. When the lamps sold, these initial contacts led to regular orders.

Z has more than 60 outlets around the UK. "My whole strategy – with the exception of Habitat – has been to avoid chains and target individual shops with strong profiles," Cahill explains.

"The first shop I started with was the Conran Shop. Then I sold to other outlets in London like Purves & Purves and American Retro."

The Flexo's history as a design classic made it easier for it to win shelf space in fashionable outlets – if dates from 1926 and the Design Museum owns a version. Cahill compares the Flexo to the Zippo lighter – eternal but unpretentious.

In February last year Habitat

contacted Z again. This time it offered the company a better price, as well as dropping its demand for exclusiveness. A deal was struck.

The relationship went well until October, when Habitat cut the retail price of the lamp to £15 from £20. A month later Habitat's price tumbled to £10 a unit, just as Z stopped supplying the chain and launched a £2,500 advertising campaign for the Flexo on London buses.

In the same month the outlet began to offer lamps it initially called the Flexo, but with a red or yellow painted finish, rather than the original brushed aluminium. By December it began stocking a brushed aluminium version of the product too. It called this the Felix after a letter of complaint from Z's solicitor. Habitat eventually gave the painted lamps the same name.

Cahill says that the appearance on the market of lamps very similar to his product, but at half the price, has damaged his business: some distributors including the Conran Shop temporarily removed the Flexo from their shelves. Sales have dropped, Cahill claims.

He now plans to fight Habitat in the courts. A complicating factor may be that the Flexo is a generic product in Spain, which anyone can manufacture and sell there.

Matthew Griffiths, media relations manager at Habitat, comments: "We appreciate the difficulties faced by small businesses. However we question the validity of Mr Cahill's design registration. Habitat stopped using Mr Cahill's logo and the Flexo name when we were told it was copyrighted in the UK."

"By sourcing the light direct from a Spanish manufacturer rather than through Mr Cahill

as a supplier, Habitat has managed to halve the retail price."

In spite of the row Cahill does not regret quitting the advertising industry to set up his own business. He admits it can be stressful: "The work itself isn't so bad. The difficult thing is the tension around it. You don't know whether your product will sell and if it does, how quickly. It's just you against the market."

Unashamed, he is pressing ahead with plans to import gourmet Spanish foods. Z has already struck a deal to supply caper berries – a snack food discovered in a Majorcan market – to Harvey Nichols.

He concludes: "It is very much a day-to-day existence. But I like it – it allows me to spend a lot more time at home than I would otherwise be able to. I've got a little son, Laith, who is just two, and it's nice to be around him now."

Continued from page 1

Comrades who tried to dry out Mother Russia

ally sober up the country.

But Russia's leaders might have learned from what had happened in the US. Americans were affronted by the infringement of their liberty. They ignored Prohibition and distilled their own spirits from bathtub fermentations. Thousands died from drinking moonshine, industrial alcohol, illicitly converted into gin and whiskey for sale in the speakeasies.

By 1929, there were 32,000 speakeasies in New York, double the number of bars before Prohibition. The humorist, John Kendrick Bangs, said: "Although man is already 90 per cent water, the Prohibitionists are not yet 100 per cent."

The liberal urban classes and business men lobbied for an end to Prohibition against the opposition of rural fundamentalists and a vociferous "dry" lobby.

In Russia, too, leading figures were at odds with one

another. Yegor Ligachev, Politburo member and a teetotaller, said the Communist party should be dried out before the country was tackled. He told the Central Committee in the campaign's early days that 198,000 party members and 370,000 Komsomol members had been before the authorities because of alcohol abuse.

Yeltsin, then climbing the political ladder, damned the campaign as "amazingly ill-conceived and ridiculous". (But later, as Moscow party secretary, he embraced it with enthusiasm.) In 1986, nine out of 10 vodka shops in the capital were closed and alcohol consumption initially fell by 40 per cent.

The campaign was launched in spite of objections from the party's elite. Alcohol was banned from public banquets and receptions and from private functions such as weddings. Party officials who drank would be dismissed; drunken

workers would lose bonuses and holiday entitlements. Mention of alcohol were to be removed from public performances of operas and plays. The works of Omar Khayyam and Pushkin were to be censored.

The Ministry of Internal Affairs, the Soviet Prosecutor's Office and the Ministry of Justice were instructed to tighten the rules governing trade in alcohol and, hardest of all, eradicate home brewing.

A front organisation was established. The All-Union Voluntary Society for the Struggle for Temperance (VDObT), a people's army of salvation, attempted to shape public opinion, setting up leisure facilities, countering pro-drink "propaganda" and helping in the fight against home brewing. Within two years, the VDObT had 1.1m members organised into 450,000 branches throughout the Soviet Union. The death penalty was intro-

duced for murders committed under the influence of alcohol and show trials were held for habitual drunks at the factories where they worked. Vodka distilleries were converted to the production of fruit juices and confectionery; the prices of vodka, cognac and wine

long, however. Even during the successful phase, conspicuous drunkenness was still evident. Journalists visiting the central Russian region of Yaroslavl found a cafe full of "habby, pale-faced people, come to clear their heads of a hangover". And in Ukraine and Bryansk there was no significant decline in drunkenness.

In spite of the threats, home brewing became as common in high-rise city dwellings as it had long been in the countryside. Baths, buckets and kettles were used. If sugar could not be bought, scarce grain, potatoes or fruit were substituted. The number of arrests for illicit distilling doubled in 1987 compared with the year before, to reach 450,000. By 1988 the illicit stills were producing 40 to 50 per cent more spirits than the state plants.

The campaign effectively collapsed in October 1988, when the Central Committee said

that, while "reaffirming the struggle against alcoholism... every effort must be made to eliminate queues". In plain language this meant that official production and sales of vodka was to be increased.

By 1992 Gorbachev was ridiculous in the idea that he had ever been associated with the campaign. "They tried to make an abstainer out of me," he said.

Stephen White thinks the campaign was probably doomed from the start. In spite of the huge powers of the state, the local bureaucrats, who were supposed to enforce the measures, often evaded central directives. Court sentences were often not enforced. Nobody, for example, was responsible for removing the offspring of persistently drunk parents to children's homes, after an order had been made. Many instead became school-aged drunks.

The difference between "gen-

ine alcoholism" and "moderate drinking" was never defined, nor was research commissioned into the subject. More than 70 ministries, public bodies and organisations drafted a joint plan for further action, but this languished in government offices, never to be implemented. By the beginning of this decade, illicit stills remained widespread and the government had less control over alcohol production than before the campaign started.

The administration's anxieties about public discontent as the first effects of perestroika were being felt, proved greater than its distaste for drunkenness.

It took 13 years for the US government to acknowledge the failure of Prohibition and to repeal the constitutional amendment which sought to make America dry. The Soviet administration learned a similar lesson in about a quarter of the time.

■ *Russia Goes Dry*, by Stephen White. Published by Cambridge University Press 1996, 250 pages, £10 hardback.



Trevor Humphries

Dispatches / Clive Aslet

Flight of fancy to Cuba

Which airline truly deserves the accolade of the World's Favourite?

It may have been usurped by the UK's national carrier but, following a recent visit to Cuba, I would award it to Aerolineas Argentinas.

While other airlines have cultivated a nanny-knows-best attitude towards passengers – you only have to look at the Mary Poppins hats worn by the British Airways stewardesses to see what I mean – beloved Aerolineas Argentinas preserves a delightful informality. People sleep full-length, hats over faces, outside the departure gate.

There is no fuss about numbered seats. Even the safety announcements present regale necessities in their most positive aspect. Most carriers duly insist that the illumination of the no-smoking sign means that cigarettes must be extinguished. On Aerolineas Argentinas, it is the other way round: soon as the no-smoking sign goes off, passengers may enjoy the tobacco product of their choice. Zestful, that is the only word for the spirit which pervades this remarkable organisation. Two airline employees broke into ironic cheers after our rather bumpy touch-down at Havana.

The journey back lacked some of the old Aerolineas Argentinas bravura. We left Havana late, and the pilot radioed ahead to tell British Airways to expect us. To an extent, this had the desired effect. People noticed. "We heard you radioed from Havana," the Miami check-in staff said, rather as though we had just been orbiting the moon. But we still missed the BA flight by a whisker. Or rather we did not miss it – so to speak, missed us.

While we were waiting dolefully in the stand-by line, in full knowledge that this being the end of half-term week, every returning flight from Miami for the next two days would be full, we heard the last remaining passenger for the flight that we should have caught being paged. We remarked to Fred, the power-crazed functionary, whose duty it was to inflict torture on harmless wayfarers, that our outward flight had been delayed for two hours because the pilot had waited for connecting passengers, then missed his take-off slot. That, replied Fred with a wild, satiric glint in his eye, was then: this was now.

I was lucky. Unexpectedly, a seat did become available on the last flight of the day. My young baby at home took precedence over my colleague's pregnant wife, and he nobly offered it to me. Then, for him, began an odyssey via New York: not, in February, the best place to visit when you have only packed cotton trousers and Hawaiian shirts. Oh, we sigh, for the old-world charm of that most obliging, most debonair, most cordial of airlines, Aerolineas Argentinas, we love you.

■ Clive Aslet is the editor of *Country Life*.

Lunch with the FT Sharing a giggle with Lisa Leeson

Lucy Kellaway meets the wife of the man who broke the bank

Idoubt if Lisa Leeson was much looking forward to our lunch engagement. In her diary for February and March there are 88 dates with journalists, each one a fresh opportunity to be asked how on earth she failed to notice that her husband was bringing down Barings Bank.

She is putting herself through this ordeal in order to market *Nick Leeson's version of events*, *Rogue Trader*. It is not a volume she cares for particularly, but her lawyers have to be paid, and she is doing her duty with remarkably good grace.

There she was, 10 minutes early for our lunch at Ajimura in Covent Garden, killing time in a nearby Japanese shop. Also early, I was doing the same. "Lisa?" I said, accosting a pretty blond woman in a fur hat and smart brown coat.

She gives me a nice smile; she looks carefree, relaxed. If a stranger had to guess which one of us had a husband in Changi prison, they would certainly not have thought it was her.

"The questions people have asked me!" she exclaims in broad estuary English as we sit down at our table. "One girl said to me: so how do you feel about not having sex? You have to be quite thick skinned doing this. I try to be enthusiastic all the time. I smile."

That must be hard work, I say. She shrugs. "I'm just a go-with-the-flow person. I don't argue. If someone says: we're going to do the Crown pub, I'm like, fine. I don't say: I don't like the Crown."

Can she stop smiling once she is back at home with her mum and dad, I ask.

"We are positive thinking people, I'm usually fine at home. Sometimes I get a bit tearful," she says pleasantly.

Usually she has toasted ham, mustard and tomato; she can't have dairy products because of her eczema. She rolls up a sleeve to show me a high point on a man's red mark.

"When it happened," she says, bringing up the subject herself as I had still not mentioned it. "I was covered in eczema." That is strange: according to *Rogue Trader*, she showed no signs of stress. When she found out what her beloved husband had been up to, she was calm, phoned her mum and had a laugh with her over the phone.

Surely it wasn't really like that, I say.

"See, when people ask me questions about it, to tell you the truth, I can't really remember," she says. "So much was going on. It was like a whirlwind. We didn't eat. We didn't sleep. We didn't talk."

I say that I found the picture of her in the book altogether implausible. She is presented as the perfect wife: sexy, lovable, practical, and every reference to her comes with a

One of the myths that seems to bother Lisa Leeson most is that she and Nick led a glamorous life

hair – the liquidators have everything else. She takes a crumpled piece of peach loo paper out of her handbag, and I inspect the single curly hair in silence. "I picked it off his T-shirt in Frankfurt. Nick can't spare more than one." More laughter.

As she deftly dips a bit of raw fish into the soy sauce, I ask about Stephen Fay's rival book about the Barings collapse, which presents Nick Leeson as more rogue than trader. "I'd rather not read it," she says, and a vacant look comes over her eyes as I spell out the allegations. It cannot be easy for her defending him. After all, she has never even had a real discussion with him about what happened.

Suddenly she announces that she would like some green tea ice cream. "It tastes just like a cuppa tea!" she explains. Unfortunately they do not have it; instead we are each presented with half an orange.

Curiously, one of the myths that seems to bother Lisa Leeson most is that she and Nick led a glamorous life in Singapore. With pride she describes the mundane monotony of their evenings together: "He came home from work. I'd say: Hi honey, how's your day? He'd say: fine. He'd have a shower and lie on the sofa, have a packet of crisps and a cup of tea and wait for me to dish up dinner. And the rest of the night Nick's lying there watching a Chinese film with Malaysian subtitles and I'm reading a book."

The thing that annoyed me about Nick was the way he was always switching channels," she goes on. In her place, the thing that would have got to me was the way he was always losing millions and neglecting to mention it to his wife.

Lisa Leeson: "I'm usually fine at home. Sometimes I get a bit tearful"

But of course I don't say that. Instead I suggest that maybe she has not yet come to terms with what has happened to her.

"It hasn't really sunk in – I've just been carried along on the wave. All I want now is a full-time job so I don't sit around thinking about it."

I ask about her application to be an air stewardess with Virgin Air-

ways. "If I get the job, I want the other girls to know me for me. Not for Lisa Leeson."

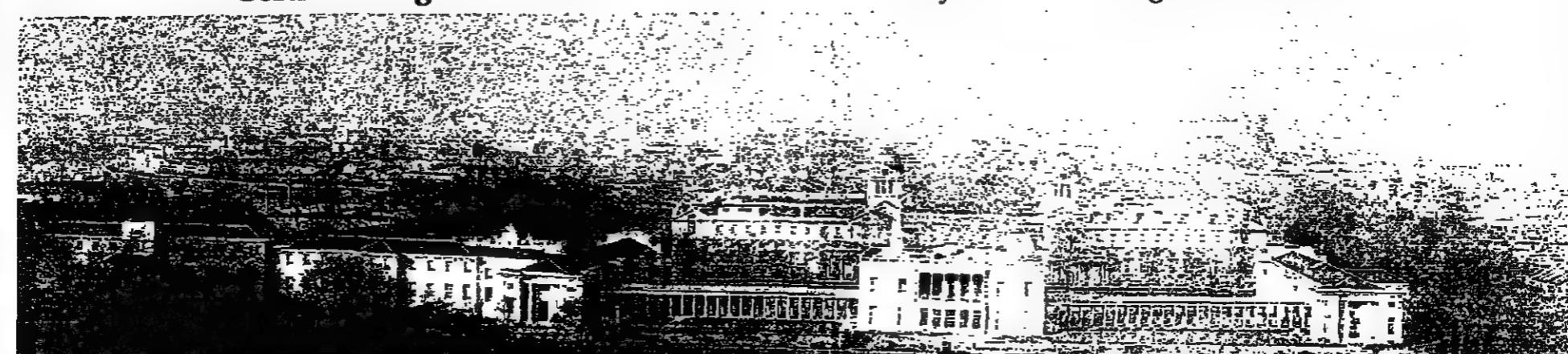
Either way, she would make a terrific stewardess. She has the looks, the smile, and keeps her head in a crisis. She can hand out scences and cups of tea, and she loves travel. If I were Richard Branson, I would hire her on the spot.

I settle our modest bill and ask her what she made of the meal. "It was OK. I liked the salad, but the fish wasn't very tender." That was putting it mildly. I say that some of my raw fish tasted aged. She laughs: "I'll call you tomorrow and ask if you are in the same state as me?" We have a giggle. She thanks me, and I wish her luck.

Trevor Haughton

Versailles on the Thames

Gerald Cadogan asks what is to become of the Royal Naval College at Greenwich



The National Maritime Museum (left), Queen's House (front centre) and the Royal Naval College, Greenwich

Michael Portillo as defence secretary. After the public furor at his proposal last September to sell the RNC, he has enrolled an advisory committee under Lord Faringdon. Other members include Dame Jennifer Jenkins, Lord Rothschild and Sir Jocelyn Stevens.

Sir Christopher Wren

planned the Greenwich buildings on an axis that runs from the river through the Queen's House (by Inigo Jones) and up the hill of Greenwich Park. They unite monarchy – since Greenwich was a royal palace

– with British maritime tradition in a piece of architectural heritage that rivals Versailles. Not surprisingly, Greenwich is a candidate for World Heritage status.

A decision is needed now.

Time is short. In 18 months the RNC will be gone, on its way to the new combined services staff college at Camberley. Portillo commissioned Knight Frank to market the buildings. Its brochure asked for proposals by November 15, more than three months ago. And what was the result?

Apart from proposals from the US and east Asia, the government has been left with the two applicants which had been there all along – the National Maritime Museum and the University of Greenwich. "It didn't make much commercial sense," says museum director Richard Ormond, "to go through the whole marketing exercise."

The University of Greenwich, which began at Woolwich as the second polytechnic in the UK and is now split across 20 sites from Roehampton to Chatham, proposes using much of the RNC for its business faculty and central administration, and adjacent buildings for a library, catering, computing and students' quarters.

The museum has submitted two schemes. One is a bid to manage the Painted Hall and Chapel, and their undercrofts, and increase public access.

Its other proposal has a wider view. A trust should be set up, called the Royal Greenwich Trust, to manage the site in the national interest.

Responsible directly to parliament, it would meet the key concern at Greenwich of conserving – and enhancing – the national heritage and history. This imaginative scheme would provide the strategic planning that a place of such importance needs.

The university would still use much of the space, but the RGT would free it of the non-core activities of running a tourist site and finding the money to maintain the buildings. There would also be space for the museum's Mar-

itime Research and Information Centre. The handsome late 19th century Pepys Building, near Greenwich Pier, could house a visitors centre, and provide room for the Maritime Trust, whose flagship Cutty Sark stands in drydock next to the pier.

The public would have full access to the Painted Hall and Chapel, except when Greenwich reverts to its old ceremonial use as the place to receive foreign heads of state.

The Painted Hall can also be let for income-generating corpo-



Truth of the Matter Conscience: a luxury we cannot afford

Hugh Dickinson believes the Scott report raises issues of responsibility related to the bombing of Nagasaki

It tumbled out of a bright morning sky like a huge ball bearing. No one saw it. Some may have heard the drone of the aircraft up near the stratosphere from which it had been released.

The men in the aircraft could not see it either, but they were close enough to count the seconds. Then, instantly, thousands of children were incinerated, their mothers vapourised, their aunts and uncles turned to ash on the searing wind.

They were lucky. Others further out were flayed alive and stayed alive for days, weeks, months in agony. Others died by inches over days.

They called it Fat Boy. Comfy name that. A bit of a joke.

Distancing. The aircraft crew sped into the distance, too comfortably warm up there in their silver tube, slipping across a serene sky. Calm and guiltless in their distance from the firestorm they had caused.

But were they responsible for those 100,000 deaths in Nagasaki? Surely not.

Responsibility creeps remorselessly back up the chain of command. The senior officers who gave the orders, the scientists who devised the dreadful weapon, the politicians and strategists who mobilised the resources to produce it – don't they bear a greater burden of responsibility?

The president of the US had a little notice on his desk: "THE BUCK STOPS HERE". But it doesn't really. The people had elected him to carry and to represent the will of the whole nation. He did it for them. They were too dispersed and too distant to own their action. So no one owns it.

The further we are from the physical and personal impact of our action or the human effects of our decision, the less moral responsibility we feel.

The longer the chain of command, the more moral responsibility gets dispersed and reduced.

A special technical jargon is devised to sanitise the human cost with its grief. All those moral agents down the line passed the impersonal decision along because the system has its reasons alongside which individual and personal integrity seems an irrelevant luxury – or, worse, a kind of treachery as Oppenheimer discovered to his cost.

Then the point comes where the system may be guilty of an appalling crime against humanity but no individual feels obliged to own the consequences of his actions.

Only one did. One of the men in the aircraft which dropped the atom bomb on Nagasaki committed suicide when he saw the photos.

If the whole chain of command had been forced to stand and watch the children dying would they at least have wished they had not done it?

Or must we surrender our conscience to the state – which has its own cruel reasons but offers to purge our consciences for us with public immunity certificates?

The analogy may seem a bit extreme in the backwash from the Scott inquiry, but extreme cases often bring out underlying principles with greater clarity.

The obfuscations around the responses of politicians to Scott's report are partly deliberate, but

■ Hugh Dickinson is Dean of Salisbury.

rate events, and the RGT lease accommodation now used by naval staff as flats. "Clearly the nation wants to keep Greenwich," says Ormond, as the fierce reaction to the idea of a sell-off has shown.

It will need money, but less than is needed for the exhibition. Running the RNC costs about £2.7m a year, of which £1.2m comes from the Department of National Heritage for maintenance, while the Ministry of Defence pays around £300,000 for interior costs and a further £400,000 as rent to the secretary of state for defence (in his capacity as the sole trustee of the Greenwich Hospital, which is the freeholder).

The RGT would start fund raising, but still expects the government to contribute to the external maintenance of the buildings and the interior of the Painted Hall and Chapel.

To recognise the navy's part in ensuring that Britons will never be slaves, the government could supply a dowry, as it did for the naval dockyard at Chatham in Kent.

But the National Lottery must be the obvious source for initial funding for the RGT, which may need £25m. Saving Greenwich for future generations is an ideal way to spend lottery money through the National Heritage Memorial Fund, and ensure that the buildings are still there when the Millennium Exhibition is just a memory.

FASHION

A new, best friend takes the pain out of shopping

Avril Groom meets three personal advisers and their clients who benefit from the professional hand

Long ago when life was simpler, unconfident shoppers took along a companion to help them choose. Male partners were reckoned to be less reliable than female friends because they tended to say yes to anything provided it was within the budget and thus shortened the agony of the shopping trip.

Women companions had their drawbacks, too, such as an unconscious sense of rivalry which stopped them approving a really stunning outfit, or an inability to be objective.

Nowadays your "friend" is totally objective, because she is a professional. Along with the personal trainer and the personal therapist comes the personal shopper. A good one could save you lots of money by obviating the need for the other two to accompany you — her careful choice of clothes enables you to know that you can rely on her to make you look your best and save you from mistakes.

Today's personal shopper is not just there to hard-sell you clothes in the name of her store. She may do anything from helping you to reorganise your diary to getting a new plug put on your toaster. She may not even be attached to a department store. "Lifestyle organising" and personal shopping is now a big and competitive business. It relies on building up a long-term relationship between adviser and customer.

One visit to a personal shopper may solve a particular problem, but only multiple visits will take you to the point where your adviser will even shop at a rival store if she knows it has the essential accessory for an outfit you have bought from her.

Choosing the right adviser is crucial to making the most of the service. Freelances are perhaps best for those who want more emphasis on a whole-life reorganisation than clothes. Susie Faux's Wardrobe has a nutritionist, beautician, hairdresser and shiatsu massage to help mould the working image into something in tune with a coolly modern look.

Department stores are generally more conventional, and are perhaps a good place to start. We spoke to three of the best-known exponents of this essentially 1990s art, and to a client of each.

The last thing Carole Caplin will do is suggest what clothes you should buy. Before then she will want to advise you on a healthy diet, put you on an exercise regime, maybe even review the way you organise your life to make it more efficient and less stressful.

Trained as a dancer and exercise teacher, Caplin is now a freelance "lifestyle consultant" and her holistic approach has won her high-flying converts among businessmen, lawyers and politicians.

Her methods have evolved after she dealt with her own dietary and emotional problems, which seem almost endemic to a dancer's or singer's life. "Everybody, but espe-

cially women, is under enormous pressures now," she says.

"They need help in running their lives so they can be at their best. Looking good has to come from inside. As you benefit from a better diet and more regular exercise, your skin improves and your eyes sparkle, so you need different — usually less — make-up. Extra confidence may mean you want to try more fashionable clothes and you may also lose weight or tone up."

Caplin also has experience in fashion and keeps tabs on designers whom she feels are right for her career-oriented clients. But, she says, "whether an outfit is the right colour or proportion for you is far more important than whether it is fashionable".

She demands some commitment from clients — an initial consultation in her spacious north London house, all soft lights and hand-painted murals, followed by a diet

'I've tried a new hairstyle and I know how to wear clothes that make the best of my good points'

plan and at least two one-to-one exercise sessions a week. Once results appear she may go on to the outer trappings of hairstyle, make-up and clothes.

Caplin is small, perfectly formed and pretty, enough to make any client in need of a lifestyle rethink feel thoroughly inferior. She is also extremely friendly and informal, the sort of woman other women confide in. Clients soon relax; many become friends.

This is what happened to Claire Lewis, who heard about Caplin from a friend of her husband's. After several years out from her career as a marketing executive to have children, she wants to go into Labour party politics, a tradition in her family, and is receiving encouragement from friends among London's New Labour luminaries.

"But I really was just a housewife," Lewis says. "I had put on weight, lost my edge and had no confidence at all." Caplin's regime, she says, has made all the difference. "I feel more energetic. My skin has improved. I've tried a new hairstyle and I know how to wear clothes that make the best of my good points, such as my long legs. She has introduced me to designers like Ronit Zilkha and Karen Millen who make elegant, simple and businesslike clothes which are right for what I hope will be my new career."

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"I never stop shopping for my best clients," she says. "Sometimes in Italy I see a pair of shoes that I know will be exactly right for someone. Usually I know their size, too, so I buy them. Clients trust me." She starts with a detailed chat in the pleasant but slightly cramped personal shopping department. "I never choose clothes without meeting someone," she says. "Even if you have a brief you need to see what shape they are, how they walk, and find out about their life-style."

Sometimes this extends to dinner together. Sara Richardson, a director at Flemings Investment Management, has been a client for 10 years. "I like clothes without being fanatical [about them] and I need to look smart for work," she says. "I know the colours I like — a range based around burgundy or claret — but Gabriella puts it together with much more flair than I could. She'll suggest a scarf to soften a suit and encourages me to go a bit further fashionwise."

Richardson has little time to shop, so di Nora calls her when suitable outfits arrive from her favourite ranges, which include Georges Rech, Cerruti and Calvin Klein. Richardson mainly uses the service for her working wardrobe but has also done so for specific occasions such as a formal dinner.

"Then we usually pick out something that I wouldn't have thought of but which I end up wearing a lot." Richardson has a weekend life in the country and rarely shops for casual clothes. She says: "Gabriella has shown me how, by keeping to the same colour palette, some of my work clothes can co-ordinate with sweaters and so on for the weekend. If I am at all chic, it's due to her."

"If I asked her she'd even do all my Christmas shopping."

At Harrods, Julia Eccles has presided over the Executive Suite for nine years and admits it has outlived its title. "In the 1980s we looked after working women in a rush who just wanted to spend. Now people of all sorts want a more careful service, value for money and lasting, versatile clothes," she says.

Lively, friendly and statuesque but always chic in a businesslike way, Eccles is her own best advertisement. Any advice she gives on diet and exercise comes from heartfelt experience. "When I lost some weight, so many clients asked how I did it that I produced a leaflet," she says. "But sadly my resolve didn't last."

In such a large store, clients vary from passing trade wanting help with one special-occasion outfit to regulars who put together a whole wardrobe each season. Far from lacking confidence, the latter often make most of their own choices, looking to Eccles for reassurance and the well-chosen accessory.

The suite has big, airy change-rooms where clients can relax with a drink and snack. Some even spend all day there. This is an attraction for Janet Weitz, who has her own marketing company and a highly organised life.

"I have a hectic schedule," she says, "but at the beginning of each season I take time out to come in and work through the outfits I need. I have a good look round, so my choice is the starting point, but Julia may know of something better, and she finds the extra pieces and accessories while I relax here and try on. That is where her expertise counts."

Weitz finds this the most "cost-and-time-effective way of shopping" and sees the relationship as a profitable partnership. "I trust Julia's advice because she knows me and my lifestyle," she says. "but I have strong views of my own, too. I think we normally come to the best conclusion."

■ **Carole Caplin** (0171-431 0342) charges from £10 an hour. Department store shopping advice is free. **Gabriella di Nora** is on 0171-318 5536. **Julia Eccles**, 0171-351 4674.

Trying time in Harrods' Executive Shopping Suite. Julia Eccles approves Janet Weitz's choice — red wool jacket by Miss V and black dress by Gennyway.

Check out Sara Richardson, in a cloche coat wool suit by Cerruti, D46, and silk chiffon scarf by Vittorio e Rosato, £75, at Selfridges, with Gabriella di Nora



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HOW TO SPEND IT

Frockmeister to the ladies who lunch

Once upon a time Tomasz Starzewski was the best-kept secret of London's lunching ladies. No longer. The secret is out.

His reputation as frockmeister in a certain world, albeit a rarefied one, is assured. This week saw a further change of gear in his life when he opened his own store in Sloane Street, London. And Asprey, the Bond Street jeweller and luxury goods house which bought a big stake in his company two years ago, gave the dinner of British fashion week in celebration of new beginnings for both of them.

For Asprey, of course, new beginnings are sorely needed. It has been no secret that this one-time grand luxury store had lost its lustre.

Its share price had tumbled. Naim Attallah, who had been its group executive chairman for four years, had failed to work his expected alchemy, and among the luxury gift-buying set the turquoise blue of a Tiffany box, the distinctive green of a Gucci or the brilliant orange of Hermès had come to have more cachet than Asprey's own deep purple.

Starzewski, the son of Polish refugees, is less in need of new beginnings - "we don't have the past baggage and there are happily no mistakes to put right" - than growth.

When he sold a major stake in his company to Asprey about two years ago, he did so not because he needed rescuing but because he needed the backing of a big luxury group if he was to achieve all he wanted.

"Most of us are given one very important break in one's life and this is mine. I intend to respect it and make it work. It's incredibly exciting to have the vision and expertise of a big luxury group behind you," he says. "If there's a crisis I can talk to them, I can bounce ideas off them and they seem as ambitious for me as I am for myself."

"When Asprey bought into me most people thought they were mad. Here was this young couturier [he was just 32] with a small, specialised clientele. I think for them I represent the future - the youthful side if you like - of the luxury goods market. If you look at it if that way it looks much more logical."

"It was Naim Attallah who originally believed in me and backed me but Jan Dahl, the new group chief executive, is just as supportive and he thinks big. It was he who said to me that I have to be in a proper retail environment - but he left it to me to find it. I chose Sloane Street over Bond Street because it's a highly residential area, and if I look at my client list this is where they live."

"I had always known that having a shop of one's own is essential. Many of us - including Caroline Charles, Shirin Cashmere and others - wouldn't have survived the recession if they hadn't had



Jade green cotton bouclé collarless jacket (£460) over matching embroidered bustier and hipsters (£180)

Lucia van der Post meets Tomasz Starzewski, one of London's most socially successful designers, who aims to put his name on the world stage - starting with the opening of his new flagship store



Tomasz Starzewski; his new flagship store was designed by his great friend - and client - Teesa Kennedy



□ Above: Sam Barnet in front of an Orléan Harwood gilded mirror wearing a white silk cocktail dress with embroidered black chantilly lace bodice, £950
□ Left: Barnet on the ground floor of the new store in a violet silk crepe cowl-necked evening dress, £1,200. A table by Orléan Harwood in the background

Photographs by Trevor Humphries

Lacquered black straw hat by Stephen Jones. Polka dot grosgrain used for shoes by Gina, £210

The idea, of course, is to turn Tomasz Starzewski into an internationally recognised label. Asia and the US are the priorities - he already has a big client base in Hong Kong and two own-label shops within Lane Crawford stores will open in the autumn. His glamorous evening wear has always sold well in Saks and Neiman-Marcus in the US and shops within shops are being looked at.

"Jan Dahl recognises that I have a public that has buying power and he is prepared to back me." Given that among his clients are said to be 250 of the most socially influential women in England, and that most of his clients hear of him by word of mouth, Dahl would seem to have backed a winner.

In the UK Starzewski's world may be small and intimate but it is powerful. There is hardly a fortune worth mentioning that has not been plundered at some stage to fund a Starzewski frock or three.

For the thing about his clothes is that they add instant glamour. Other designers may produce clothes that are cooler, more directional, more understated, more elegant. But few know how to turn a piece of cloth and some glibby buttons into such a potent weapon of seduction. Starzewski's frocks are perfect mistress' clothes. Men love to see their women in them.

You do not flourish a filofax in them or look as if you know your bond markets from your gifts. When you want to play office politics or look intimidatingly clever then you do not wear a Starzewski frock. But, if it's a flirty lunch with someone you fancy, or a grand ball at which you want to make an entrance, then he will do you proud.

At the new shop, frocks and ball-gowns will be joined by a full range of accessories, including matching shoes. In the past his shoes always came from Jimmy Choo but he cannot meet the new demands and so Gina will provide some of the new footwear this autumn. Bags will be specially designed by Lulu Guinness, hats by Stephen Jones and jewellery by Erikson Beaman.

Although Starzewski's reputation is of serving a small and privileged elite, his prices are more accessible than this might imply. A sassy day-time suit from the ready-to-wear range costs between £500 and £600, no more than many pedestrian labels. A dress



Polka dot grosgrain bag by Lulu Guinness. To order

could be had for about £400.

His Gold label collection is limited to 24 of each design - its rationale becomes obvious when you realise that Starzewski's clients are rather like members of a private club and run into each other a lot - and would sell at about £700 for a day dress, £1,200 for a suit. Couture starts at £1,500 for a suit and about £2,000 for a ball-gown. Bridal wear is a speciality - his dresses float down the grandest aisles and prices start at £1,500.

Starzewski's circle of clients and friends merge seamlessly. He is, they attest, a man of immense warmth and charm. It seems an excellent recipe for business success.

As a 20-year-old at St Martin's School of Fashion he charmed me so much that, between us, we persuaded the Financial Times to sponsor his first fashion show at Grosvenor House.

A client has only to cross the Starzewski threshold to be enveloped in a world of luxury, gossip, charm and friendship. If you have the funds, it is irresistible.

Whether this will translate internationally into a world-class label remains to be seen.

■ Tomasz Starzewski's former shop in Poni Street and Grafton Street will close and the flagship store opens today at 177-178 Sloane Street, London SW1.



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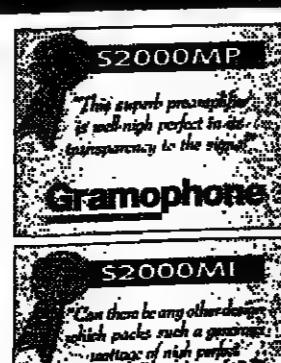
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OUTDOORS

Skiing A 60kph tow on a frozen lake

Arnie Wilson enjoys the food and sport at St Moritz

For the best part of an entire circuit of the frozen lake at St Moritz, the two men on skis and the race-horses pulling them at 60kph are neck and neck - one a skiing expert, the other a professional jockey.

Their crash helmets, gazing in the Engadine sunshine, are almost as close as colliding snooker balls.

Even skiers in the celebrated Marmite restaurant, at the top of the funicular, pause over their *bûche au caviar* (SwFr140 a portion) and *caviarissimo* (carpaccio with wild salmon, truffles and caviar - FFr168) as they strain to admire the spectacle below.

Grimly, Franco Moro, the reigning "skijoring" champion, and his nine-year-old steed, Sacred Number, fight to find a way past Territorial Claim, towing Jakob Broger, on the inside. His route is barred. Outside does not work either. Broger may not be such a skillful skier, but all his willpower as a jockey is coming into play.

Suddenly, Broger's horse, rattled by the confrontation, careers off course, leaving a relieved Moro to cruise to victory.

A new season is opening and work done now will be blessed throughout the year. We are supposed to look forward with optimism but, more and more, I think that most of our gardening books and catalogues lie.

Naturally, they do not intend to be duplicitous. I think they suffer from Waldegrave Virus instead. It is not that they are duplicitous; they merely omit facts which they must know well and then tell us what is necessary to keep us happy.

What they omit is the constant presence of death and disappearance. We all lose a high proportion of what we plant, but we read and write as if it lasts for years.

Perhaps this illusion sets our ideals. Certainly, it does not prepare us for what we ought to expect. My mind's eye is full of new hopes for the next three years, but they are also tempted by encroaching experience. I am reassured to find that I am in the best company. The same experience dogged the gardeners who made the loveliest garden in Britain.

No garden will be more visited this year than Sissinghurst in Kent, former home of Vita Sackville-West, the writer, and politician Harold Nicolson.

The thousands who admire its beauty may be deceived into thinking that it is a one-way tale of success and continuity. If so, they should read Tony Lord's new book, *Gardening at Sissinghurst* (Frances Lincoln £25, 168 pages).

The photographs are outstanding. The text is instructive because it derives from close discussion with head gar-

"When it comes to the test, it is more important to be a skier than a jockey," said Moro, director of the St Moritz ski school, who had already won the Credit Suisse Skijoring Trophy four times.

As luck would have it, we dined at the Badrutt's Palace, where the guest chef was Willi Elsner, executive chef at London's Dorchester. Most of us opted for the pan-fried escalope of sea bass with zest of limes and coriander served with silver-skinned onions and Chinese greens (FFr56.)

Although the over-powerful Swiss franc has deterred many British visitors - the Ski Club of Great Britain representative was bemoaning the lack of Britons, English is still spoken widely.

But with the price of practically everything sky-high, you can hardly blame British skiers for looking elsewhere, particularly across the border to Italy.

Word has it that bobsleigh teams from Romania and Poland smuggle caviar into St Moritz in their sleighs in order to sell it at a profit to fund their hotel bills.

The rich and famous still come, of course, but even they appear to be on the wane. "I used to ski regularly with

queens and movie stars," said Jacques Savay, our amiable instructor. "Last year I skied with Robert de Niro and Silvio Berlusconi, the former Italian prime minister, and that was about it. They were staying at the Shah of Persia's old house."

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Skijoring in St Moritz: "When it comes to the test, it is more important to be a skier than a jockey"

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PROPERTY

In the Maldives coral paradise

Gerald Cadogan finds a getaway island in the Indian Ocean

Besides the gentle lapping of the sea on the beach of white coral sand, the only sound outside one's room is a rustling as the wind stirs the fronds of coconut palms.

This is the Indian Ocean tropical island of Kunifunadhu in the Maldives where Soneva Fushi, a small luxury resort, opened last autumn. It has 42 rooms (some of them free-standing small houses) and will eventually have 65. Ten three-bedroom villas are also being built to buy.

Soneva Fushi (*fushi* means floating island) has the coral island to itself. A quarter of a mile wide and just under a mile long it is, surprisingly, the largest island in the Maldives.

The palms are not the only thing to make a rustling noise. The island is full of rabbits and chickens and wading birds. The only predator is a lazy cat, which finds enough to eat at the kitchens. There are no poisonous snakes or material mosquitoes. But the island has some ordinary mosquitoes, no worse though than in the Mediterranean; and lots of chameleons.

The Maldives are 1,168 islands in 26 atolls stretching more than 500 miles across the Indian Ocean. Most are uninhabited. From the air the reefs show up as a pale blue-green against the dark blue of the deep ocean. Some islands have vegetation, some are just sandbanks. The coconut palm is the national tree.

It is a long journey to the Maldives, usually via Dubai or Colombo. Most holiday-makers cram into the first resorts developed about 15 years ago. The airport is a boat ride from Male, the capital. It has one ancient mosque, schools, a good public garden, boatbuilders'

quarter and bungalows from the days when the islands were a British protectorate.

Soneva Fushi is different from the other resorts. It offers the luxury of space since, even when the building programme is complete, there will be hardly more than 200 people (including staff) on the island.

Among the palms and tropical scrub, it is easy not to see anyone else, while the 40-minute journey from Male, with Hummingbird Helicopters, gives the luxury of distance. As the helicopter rose for the return trip, we looked down on a whale plunging through the ocean.

It is hard to find a more refreshing change. Pack few clothes, lots of books and forget the rush of urban life. But if you cannot survive without outside stimulation, the hotel loans out video and CDs - your own desert island discs. Or take a *dhow*, the Maldivian boat, to try another island for a picnic, or go scuba diving or snorkelling to view the marine life. There is plenty of it in the dining room. Fishermen bring in a hefty catch each day.

Soneva Fushi is the child of Sunu Shivdasani, a 30-year-old Indian, who started the idea in his last year reading English at Oxford. With Eva, his Swedish wife, he has created a rare resort of sophisticated and luxurious simplicity.

The chunky 1930s-style furniture, imported from Bali, in bamboo and plantation teak, is solid comfort. Swept areas around the rooms bring the reassuring sense of order in the wilderness.

My semi-open-air bathroom had its own private walled garden. The bed was a four-poster in bamboo with roll-down mosquito netting. Somerset Maugham, here we go. The 10 villas will have the same furnishing but can be split up into

three

units,

or enjoyed as a whole.

This allows buyers to let some or all of their rooms in co-operation with the hotel. That is essential. The island is not big enough for separate enterprises, particularly as everything has to be brought in - and crises of delivery can occur at any time.

Fruit and vegetables are imported from India, Sri Lanka and Australia. The house wine is from Chateau Galouet. Shivdasani's vineyard in Provence. The villa owners will also depend on the hotel for electricity and water, which is desalinated.

As foreigners may not own

freehold in the Maldives, the management company, Soneva Pavilion Holdings, has devised three packages. If you buy a 20-year lease on a villa for £145m (£240,000), it will be repaid at the end of the term.

You can put up less money, £1.15m, for no repayment in 20 years' time or, alternatively, pay only £750,000 if you are willing to guarantee that the hotel can use the villa for nine months a year and keep all the revenue. In effect, one is buying three months of holiday for the next 20 years.

With the first two schemes, the hotel will let out the villa (or its

rooms) on request, dividing the revenue with the owner. On the basis of the room rates, and current 66 per cent room occupancy in the Maldives, and assuming that the villa is available for letting nine months a year, an owner could expect to clear for himself around £100,000 - to be spent on enjoying his stays in the other three months.

The Maldives has no income tax, VAT or restrictions on the repatriation of funds. But there is a land tax of \$3,000 a year per bedroom and a bed tax of \$6 per occupied bed night, which will apply to owners in residence.

The hotel will arrange food and

staff on request,

and intends to charge \$20 a day per room for owners in residence for electricity, laundry, etc., and an annual maintenance charge of \$1,000 index linked for labour, with materials at cost price on top. That includes re-thatching the roof with coconut fronds every two years and repainting every three years.

■ Gerald Cadogan flew with Emirates and Hummingbird Helicopters.

■ Inquiries about the villas: Soneva Fushi (00960-230304); Soneva Pavilion Hotels & Resorts, Bangkok (00662-254 4773); Zenith Global Partners, London (0171-371 3900).

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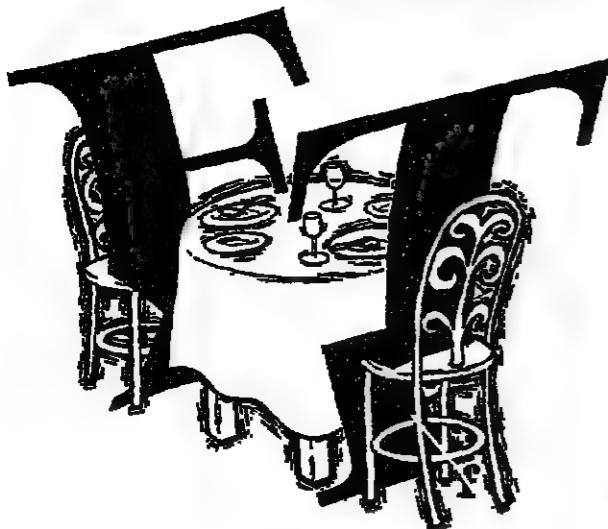
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FOOD AND DRINK

Lunch for a Fiver

Winners and losers in a fun fortnight

Nicholas Lander assesses the FT's 1996 restaurant promotion, when readers braved even blizzards in search of good value meals



Lunch for £5

1. St Olaves' Court Hotel, Exeter, Devon (01392 217739)
2. The Marsh Goose, Morston-in-Marsh (01608 652111)
3. Summer Lodge, Evesham (01386 83424)
4. The Punch Bowl Inn, Crowthwaite (015395 682237)
5. Pomegranates, London SW1 (0171 622 6580)
6. The Blenheim, London NW8 (0171 625 1222)
7. Clos du Roy, Bath (01255 444432)
8. George & Dragon, Rye (01390 723085)
9. Four Seasons, Dyfed (01267 231228)
10. Percy's, Harrow (0181 427 2021)

Lunch for £7.50

1. Bryn Howel Hotel, Llangollen, Wales (01743 620331)
2. The Wife of Bath, Wye (01233 612223)
3. The Old Forge, Stamford (01903 743402)
4. The Stepping Stone, London SW8 (0171 622 0558)
5. Fleur de Sel, Haslemere (01428 651462)
6. The White Horse, Chipping Norton (01243 533219)
7. Adlard's, Notting Hill (01803 623522)
8. James, London WC2 (0171 405 9749)
9. Vintner's Rooms, Leith (0131 554 5767)
10. The Queensbury Hotel, Bath (01255 447222)

Lunch for £10

1. Hartwell House, Aylesbury, Bucks (01296 747444)
2. Hartington Hall, Hartington (01572 556991)
3. Winkingham Fields, Wincanton (01724 733089)
4. Wadleigh Park, Chipping Norton (01247 458371)
5. Restaurant 8, London SW1 (071 585 3344)
6. Letts, London W1 (0171 228 4491)
7. Hollington House, Hollington Hill (01535 255100)
8. Bullock's at 116, London W1 (0171 499 3454)
9. The King's Head, Mincing (01264 656888)
10. The Pink Geranium, Melbury (0173 290215)



Owner Gianfranco Parola (left) head waiter Jonathan Adams (right) and head chef Terry Shaw get in to the spirit of the FT's lunch promotion at the Café Grazemille, the Cock and Rabbit Inn, Buckinghamshire

Ashley Aldred

Since the beginning of this year's Lunch for a Fiver, the FT's UK restaurant promotion, my mailbox has been bulging with questionnaires, letters from restaurateurs and perceptive reviews from readers.

According to reports from British restaurateurs as far apart as David and Ron Pitchford of Read's, Kent, and Andrew Hetherington, of Fairhill, Gower, near Swansea, FT readers were prepared to travel for up to 1½ hours in search of the best value lunch.

Two new themes have emerged from this year's promotion:

The first is the sense of fun and good humour that prevailed, with a few exceptions, throughout the 340 participating restaurants.

For example, at the Café Grazemille, in the Cock and Rabbit Inn, Buckinghamshire, proprietor Gianfranco Parola had his bar staff and waiters wearing T-shirts emblazoned with "No FT, No Comment" and tablecloths were made from the newspaper.

Dame Edna Everage, the megastar housewife, once confided in one of her television programmes: "I'm very health conscious, I only eat things with cottage on the packet." The irony was lost on the guest she addressed, Linda McCartney, if memory serves me right.

Joanna Blythman would have relished the remark, laughed and rejoined with her own list of the most over-worked hoodwinking images and words: "Farmhouse", "heritage" and "natural" were, I feel sure, among them.

Blythman is a food journalist who has brought out a book that looks set to enhance her reputation further. *The Food We Eat* is an illuminating guide to the way food is produced and marketed in the UK. It aims to – and succeeds – in giving the consumer the background knowledge needed to make informed choices about what to buy and eat.

Carefully researched and honestly reported, it is richly informative, a model of clarity and brevity – and eminently readable. No pious whingeing, no aggressive proselytising, no overstatement of case. Blessed with fine writing ability and a fine palate, she is concerned about every aspect of eating well – the pleasures of the table, the textures and tastes of high quality foods, as well as food safety, good husbandry and animal welfare.

Much of what she reveals is

country in January."

Similar sentiments, too, from Marcus Leaver, proprietor of The Blenheim, London NW8. He reported that the ham hocks served on their £5 menu had been such a runaway success that one man arrived to order 80 for a party in two months' time and paid cash there and then.

The other obvious theme is that FT readers are, rightly, demanding and keen to put the restaurants on their mettle to ensure they get the best value for money.

One reader in London EC4 gave a detailed account of her lunches at the River Café, W6, Leith's W1, and Adlard's, Northwich, followed by a blanket criticism of them all for neglecting vegetarians.

She pointed out that not all FT readers are ex-public schoolboys who have never enjoyed anything except meat followed by pudding. She put forward a five-point proposal to ameliorate the vegetarian's lot.

The letter ended happily, if incongruously, by saying: "Adlard's managed to produce the best lamb and the best pudding."

ding we had ever eaten and we still felt a warm glow that evening despite a two-hour drive through a blizzard."

Several readers and restaurateurs wrote wondering why their particular part of the country had been under-represented and one kind reader in Cornwall even took the trouble to tear the restaurant section out of his Yellow Pages and send it to me.

The responsibility for this is mine. However, it is difficult to find restaurants of the right standard, outside city centres, which are open in January and early February. Any nominations or self-nominations for next year's promotion will be gratefully considered.

So to your questionnaires and the results. We received 13,300 replies split equally among the three price categories, an increase of 10 per cent on last year.

In spite of the total number of participating restaurants – 163 in London and 182 outside – all the winners, the top three places in each category, have been won by restaurants outside the capital.

For The Marsh Goose, which has come second last year and this, Proprietor John Lloyd and his staff have been rewarded not just with first prize but with an even bigger increase in business – they served one more FT customer this year!

At the end of the first week, Raymond Wyatt, proprietor of St Olaves' Court, wrote in haste confessing that when I originally conceived of Lunch for a Fiver in 1983 his reaction was to throw my letter in the bin.

Not his scene, too New York,

he confessed. Now a convert, he has used the FT lunch for a Fiver menu to market his hotel. He added: "I have stayed with the £5 lunch as I believe this gives the greatest challenge to the chef. Buying has to be particularly keen and imagination on menu planning more relevant. It is a challenge to the whole team."

The top 10 in the £7.50 category contains four restaurants from last year's top 10

and the top 10 in the £10 category contains four restaurants from last year's top 10

rants' higher fixed costs impose constraint? One thing is clear: excellent cooking and value – is available nationally.

From the reports it was clear that all 10 restaurants listed in the £5 category offered great value and I can only feel sorry for

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The top 10 in the £7.50 category contains four restaurants from last year's top 10 – The Wife of Bath, Adlard's, The Vintner's Rooms and The Old Forge – a tribute to their consistency and value for money.

For The Bryn Howel Hotel,

which pushed last year's winner, The Wife of Bath, into second place, this is its second FT award – last year it was

the 25 category.

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and the top 10 in the £430 category contains four restaurants from last year's top 10

and the top 10 in the £440 category contains four restaurants from last year's top 10

and the top 10 in the £450 category contains four restaurants from last year's top 10

and the top 10 in the £460 category contains four restaurants from last year's top 10

and the top 10 in the £470 category contains four restaurants from last year's top 10

New Zealand wine producers have had a run of short vintages followed last year by an extremely wet one. Now there is a chance to assess the country's 1995 whites - and the result is that they are as technically competent as ever but even the best lack distinctive edge and concentration.

Even the world famous, ultra-pungent Cloudy Bay 1995 seemed decidedly hollow when compared with the 1995 Mulderbosch, "South Africa's most sought after Sauvignon", according to the SA wine bible, *John Platter's South African Wine Guide '96*.

John Armit Wines, of London W1 (tel: 0171-727 6486), has the Mulderbosch 1995 Sauvignon at £26 a case, as well as the highly scented respected Steenberg Sauvignon 1995 from coolish Constantia virtually on the tip of the Cape at £24.

The finest New Zealand white to come my way is a youthful, burgundian-textured 1994 which should continue to evolve in bottle over the next two or three years. Kumera River's Mata's (pronounced

Kiwi whites lack distinctive edge

Technically competent, the 1995s – even Cloudy Bay – seems short on concentration

Mighty's) Vineyard Chardonnay 1994 is £164.50 a case from Farr Vintners, of London SW1 (0171-828 1960), who also sell New Zealand's most luscious (though not most burgundian) Pinot Noir, Ata Rangi 1994, at £170.38 a case.

Compared recently with Mateo's and other more expensive Chardonnays, Casillero del Diablo 1994 from Chile at £24.95 acquitted itself well. This accessible New World wine is made from Casablanca Valley grapes with the lively fruity acidity typical of that cooler region. Gobble now. Available at larger Superstore stores.

It is rare for this wine fanatic to enthuse about spirits but modern grappa is something else. Quite unlike the tractor fluids of old, and quite unlike most of the marc which is France's equivalent,

today's generation of artfully packaged fine, pure, water-white, nos-tir-piercing Italian distillates is perfectly aimed at the fashion-conscious connoisseur.

Many are variety-specific and the widely planted Muscat grape has inspired some particularly aromatic spirits such as I Mesi Treni Grappa di Moscato. This particularly fragile 50cl bottle is available at Wright's of Horwic, Lancashire, £18.49. Enotria Winecellars has a range of specialist grappa, from £22.49 a half-litre of Capezzana's Grappa di Carato Riserva to Grappa di Brusello at £35.75 from Costanti (see below). These are spirits to be sniffed and merely sipped, relatively cool.

Which wine-producing country is least likely to inspire one of its

head bonchos to observe "our biggest problem is that we don't believe in ourselves or feel we can boast about ourselves and our achievements"? Ebulient arch-experte Australia, surely. Yet this is what David Combe, international vice-president of Southcorp Wines, the giant of the Australian wine industry, told *Australian Grape-grower & Winemaker* a few months ago.

Today, presumably, this dominant group of wine companies (Penfolds, Lindemans, Seppelt etc) is trying to send a different message to Australian grape-growers. With a record crop only weeks away (30 per cent more than last year, according to some estimates) growers seem inclined to demand record price increases too. Watch this space.

■ Guado al Tasso, Antinori's toothsome new Cabernet/Merlot/Syrah blend, seems set to become another classic from Bolgheri in the Maremma on the Tuscan coast, along with world famous Sassicaia and Ornellaia – even at £28 a bottle, the retail price suggested by UK importers Belloni (0171-871 8812) for the 1993 vintage. The 1993 is gorgeously deep-flavoured, plummy and accessible – but not to non-Italians. The 1993 is the first vintage to be exported.

■ Hampstead wine importer Madeleine Trehearne, specialising in small French domaines, has a problem. Someone fell through the roof of her garage cum wine store. To prevent snow and rain damage, not to mention pilferage presumably, she is trying to move all stock into customers' cellars, and will even

tolerate deferred payment. Inquiries to 0171-435 6310, fax 794 8816. ■ Wine merchants touting special evening tastings include La Reserve of London SW3 (0171-589 2020) which is offering a taste of nine extremely glamorous 1961 clarets for £175 on April 24. Real gluttons could spend the previous evening at Enotria Winecellars' (0171-871 2668) droolworthy dinner at The River Cafe, London W6, sipping great 1990 and 1965 Brunello Riservas from Costante and Argiano with wood-roasted new season's lamb and other goodies at London's finest Italian restaurant.

■ Wine Cellar, or <http://www.winecellar.co.uk>, as Warrington brewers Greenalls' dynamically interactive chain of off-licences styles itself, is very excited about its "pioneering new

Internet service". It has used "state-of-the-art technology to recreate an on-line, moving image version of their high street specialist wine stores". Now, I know they are proud of their slightly more user-friendly-than-most wine shops, but going to all that trouble to reproduce an off-licence seems a waste of technology. Would it not have been more effective and enticing to have created a magical wine cave or grotto, staffed by lightly oiled nymphs and nymphettes, where we can surf, play and really enjoy buying our favourite bottles?

■ RIP Which? Wine Monthly. This consumer newsletter, modelled on several American publications enjoying modest success at the time, was born in September 1977, almost a year before Robert Parker launched his *Wine Advocate*. We called it *Drinker's Digest* initially but Consumers' Association, when they bought it in 1980, wisely decided to change its name. From now on, however, CA announces that its coverage of wine will be limited to occasional reports in *Which?*, the general magazine.

Truffle Hunting

A new battle: dog versus machine

Chris Wilson enjoys a fresh way of looking for an old delicacy

At £200 per lb in the street market of Lalbenque, near Cahors, in southwest France, the likely location of truffles is a closely guarded secret. So I had expected at least a blindfold or a late-night rendezvous for my truffle hunt.

Instead, after a good lunch, I strolled through sunny woodlands with my companion, Pierre Sourzat, who screamed at his dogs, "Putons de chiens, venez ici", as he watched them rapidly disappear downhill. This is a sure sign in the Perigord, to anyone within a mile or so, that a truffle hunt is about to begin.

When I questioned the late start I was told by Thierry Talou, our expedition's scientist: "It's best to look for truffles after lunch." He said it was something to do with melting frost inhibiting the smell, but I lost the precise explanation because he was hunched over the instrument panel of a machine to detect truffles.

Talou, quartering a small patch of ground methodically, had agreed to test his device, which uses Aromascan technology, against one of France's top dogs, a master truder called Darius. As Talou worked the ground he seemed less than optimistic.

Darius was apparently on top form this season, uncovering vast quantities of truffles with ease. He was confident, relaxed, very much the dog on form. In contrast, Talou shivered nervously in his shirt and tie. His machine looked like bits you might find in your garage.

"It's only a prototype," he said defensively and put his head down again, moving slowly back and forward, just like a man metal detecting.

We saw him from time to time as we passed from one end of the copse to the other in pursuit of the dogs. Apparently, a top dog like Darius can sniff a truffle at about six ft in the wind and to a depth of around six inches. Talou has to spend 15 minutes plodding around each tree in turn. The dog has to mark every tree in the wood before he gets serious.

Finally, Sourzat got Darius to concentrate and, for a few minutes, it was a real head-to-head, the purring and whirring of the detector with its British technology against its snuff-

Where to eat truffles

Restaurant La Brelance, in Cahors, is required, says the street truffle restaurant in south-west France. Gilles and Laurent Menet, proprietors and chefs, take great delight in their inventiveness with truffles while staying close to the traditions of the region. "For me, it is the supreme ingredient," said Gilles. "With very little preparation you can make fibrous and mysterious dishes that satisfy every one of our senses."

During the season from November to March, the restaurant offers a variety of truffle dishes, most spectacularly, a six-course menu entirely composed of truffle dishes (£114.50 a person).

For the collection of Weekend FT readers, Gilles offers one of his truffle dishes, simple yet elegant, that clings to the culinary traditions of Perigord.

Juliette des Prés (0533 560000) serves and sells truffles in Lalbenque.

To savour the truffle, salt meat and clotted butter; £100 a dish; ham and pepper.

On being dry-cooked with grissini (thin sticks); place a layer of finely sliced truffles on croutons, each one approximately the diameter of a small pea. Coat with the melted butter and season. Place the finely sliced truffles on to the croutons, overlapping them by half a centimetre. Add a second layer of potatoes and season. Cook in the oven (mark 3) for 12 minutes until the potato and meat bubbles are golden brown, crispy and strongly flavoured.

How to nose out truffles

France is revolutionising the world's truffle industry with three separate companies developing detection devices. Their main challenge is to find the right sensors, share the same basic design as the human nose, but have an array of sensors to detect molecules in the air, linked to a computer system that makes sense of their signals, writes Clive Cookson.

The scientists are now drawing pointers from the food, drink and aerospace industries worldwide to the first two British manufacturers, Aromatic and Neofrance, and their French competitor, Alpha MCS.

The human sniffing process traditionally employed to assess quality is not deemed consistently over-link. Their noses may become deadened to particular smells, or they may be affected by colds, allergies or smoking. The electronic versions, in contrast, are repeatable and objective sensors – digital records of the signal – which can be displayed graphically. If the instrument detects a source of truffles, then the nose is left to recover for five minutes before sniffing the next one.

The first firm, Aromatic, based in Cambridge, is working on a different approach. It is using a computer-controlled sensor to identify the presence of truffles by means of a magnetic field, rather than a chemical one. But Snifftron, still in its prototype stage, is not yet competitive.

The second firm, Neofrance, has a more refined but a wider range of the electronic noses can be used to detect enough to be installed inside every refrigerator to alert the consumer to potential problems of cooking. But consumer applications is years in the future. The first generation of boxes, which cost up to £25,000 each, are being used mainly for quality control.

Aromatic has signed marketing and co-operation agreements with Kyrin, the Japanese brewing and Pilsner-Electric of Denmark, the market leader in instruments for food and meat analysis. Applications include:

- Classifying the freshness of fish and seafood
- Detecting animal and antibiotic residues in foodstuffs
- Monitoring the freshness and ripeness of fruit
- Identifying different types of coffee beans before blending
- Assessing fruit juices before canning processing
- Ensuring the consistency of breaded beans
- Authenticating distilled whisky

fling of the dog. Suddenly, Sourzat pounced on his laboratory with cries of "Arrêtes, arrêtes", shoving pieces of steak into the dog's mouth with one hand and dragging it away by the collar before it could scratch a hole.

Talou shrugged his shoulders and followed us. The soil in that part of the wood was the wrong kind – too many leaves and too wet for the machine to recognise truffles – so we followed Darius to a new location.

After a while, I had a go with the machine. It is a little bit like vacuum-cleaning – only

and away through the fields as Sourzat shouted himself hoarse.

Talou was easily distracted. The soil in that part of the wood was the wrong kind – too many leaves and too wet for the machine to recognise truffles – so we followed Darius to a new location.

Sourzat seemed to accept this as part of the fun. "If you have dogs you like hunting with dogs," he said. "If you

not as much fun. The nozzle through which the scent of the ripe truffle is sucked over the sensors is the area of a drawing pin head – and you will not find a truffle unless you are directly over one. When you do stumble over this expensive delicacy, there are no flashing lights or beeping noises. Instead, a display informs you "signal recognised" and there it was. My first truffle.

Talou had to reprogramme the machine before I could find another because, in the excitement, it seemed unable to forget the scent and thought every pebble was a truffle. Soon I was back in the hunt, walking up and down in lines with a metal stick in my hand looking for one of the most highly prized ingredients in French cuisine.

The black truffle that all the fuss is about, is a fungus found only on the roots of particular oak trees in particular types of chalky soils with a particular climate. These conditions occur in small areas of southern France and northern Italy and Spain.

During the past 30 years the amount of truffles on the market has declined sharply and the price has increased three-fold in real terms. This is why there is so much interest in rural France in a reliable machine that can find truffles.

The present machine is rated as detecting a cent at several parts per million, with new technology set to improve this dramatically for next year.

Still, Darius the dog won the contest convincingly. For every truffle that Talou or I could find, he was unearthing three or four, in spite of disappearing every few minutes to urinate on some more trees to the accompaniment of loud curses and "c'est pas vrai!" from his master.

This uncommitted approach to truffle hunting is typical of dogs. They are not natural hunters but have to be trained by reward to locate them. For a psychologically well-balanced dog, from good stock, this will take a month at least. They can be easily distracted from the job in hand, particularly during the hunting season which coincides with that for truffles.

Sourzat seemed to accept this as part of the fun. "If you have dogs you like hunting with dogs," he said. "If you

have pigs, you like hunting with pigs," but his eyes rolled when he looked at Talou and his machine meticulously combing the area round one tree. "This is not fun."

The most efficient truffle hunter is, of course, the pig. It has a natural taste for the truffle but is not as popular as a hunter. When I asked why, I was greeted with laughter. "You don't know much about pigs do you?" said Sourzat.

which I had to admit was true.

After they are about a year old, pigs become too big to control. The only people who still use them are real peasants who keep them for a year and then eat them.

My wife would rather I had a machine," said Sourzat sorrowfully, "they don't scratch the wallpaper." There lies the key to the machine's success.

Traditional peasants and

truffle hunters will probably never swap their dogs for a machine. However, there is a new breed of truffle hunter which is planting trees treated to produce truffles. And the new hunters want a more reliable way to find them.

"The truffles of tomorrow are flat dogs who have no room for a pig or a dog."

So, for this year at least, Talou graciously accepted defeat. However, he reminded

us excitedly about new sensors which, he hopes, will make the machine about 70 per cent as efficient as Darius. The machines will need to demonstrate their efficiency since they will not, initially, be cheap.

As we left the woods, Talou put his machine in his bag and slung it on the back seat of the car. Somewhere in the distance, we could hear Sourzat shouting through the woods.

Those with special dietary needs can also buy yeast-free and sugar-free breads.

■ Richard and Peter Hardin continue to expand their computer database. Their latest publication is a guide to London's Bars and Pubs (24, 95, 120 pages) with 350 entries and recommendations.

Nicholas Lander



Appetisers

French treats from a master at Claridge's

Soufflé Marie Louise and **Gruatin de Framboise Saint Moritz**. Comby will cook from Monday March 11 to Wednesday March 20. Prices will start at £29 for a three-course lunch including coffee, petits fours, service and VAT. Mothering Sunday and dinner menus cost more.

The first 24 FT readers who book will be offered a complimentary bottle of claret – one per reservation – and must quote the "Appetiser" column when booking. For reservations ring 0171-629 8860.

■ From March 12 to 14, three Viennese chefs – including Mark Peter from the Vienna Hilton – will be cooking at the Langham in Portland Place, London.

A la carte and set lunch menus cost from £23 and £35. Sommelier Gerald Glinik will suggest Austrian wines to accompany

dishes including: Viennese potato soup; baked eel with sauce tartare and potato salad; goulash of veal with sour cream and napkin dumplings. Ring 0171-636 1000 for reservations.

Those who want a simpler lunch may eat at the Tsar's Restaurant and bar where a wiener schnitzel, mixed salad and Austrian Götter beer will cost £15.50.

■ Expatriate Australians in London, desperate for the taste of kangaroo, Moreton Bay bugs and Queensland barramundi, can feast themselves at the Hyde Park Hotel's Australian food and wine promotion from Tuesday until March 17.

Three chefs from the Plantation restaurant, at the luxury Hayman Island resort on the Great Barrier Reef, will be cooking with Ralph Forciani, the Hyde Park's executive chef, to produce a range of contemporary Australian dishes. A five-course set dinner menu including coffee will cost £32 a head. Reservations on 0171-235 2000.

■ It takes bold decision to challenge Hugo Johnson's £1m sold World Atlas of Wine – 7m sold, first published 24 years ago

and now completely revised – and to compare it with Oz Clarke's Wine Atlas (£40, 320 pages, Little Brown).

However Clarke, who has been everywhere in the ever-extending wine-growing world, offers a unique feature of which he is proud: more than 50 schematic maps which give panoramic views of the vineyards. They are not portrayed in the normal cartographic manner, but produced by artists employing a painting technique which displays the lie of the land – in hills, mountains, valleys, rivers – and some towns and villages.

Particularly attractive are the large map of the Douro Valley, demonstrating the hot, unyielding nature of the landscape, and a comprehensive picture of northern Spain.

There are also introductory pages on the world's wine climates, its grape varieties and how wines are made. He places

SPORT



Back to the future: Scotland's Scott Hastings chased by England captain Will Carling in their Five Nations match at Twickenham in 1991

Rugby / Huw Richards

Rowell's men: the world is against them

Among England manager Jack Rowell's techniques for building team spirit during his successful spell with Bath was encouraging a conviction that the rest of the world was against them.

Rowell has every reason to replay that tune to his England squad this week, as most of the rugby world will be against them as they try to stop Scotland taking the Grand Slam at Murrayfield today.

It will not just be the Murrayfield crowd, who helped inspire a famous Scottish victory over England in 1980. Goodwill for Scotland was evident in Cardiff two weeks ago after Scotland's narrow victory over Wales.

The Scots were, as Rob Wainwright, the captain, admitted, distinctly fortunate. But there was none of the recrimination or resentment that often follows narrow defeats, unlucky or not.

The good wishes pressed on Scotsmen reflected far more than Celtic solidarity against the Old Oppressor - many an Englishman's partisanship today will be tempered by generous recognition of what their opponents have contributed already to this season.

Scotland are in danger of bringing the game into disrepute. Like New Zealand in the World Cup, they have reminded us why it is worth watching by restating the case for instinct and imagination in a world dominated by pre-programmed, control-freak pragmatism.

International rugby is a realm of *realpolitik*. Results are what matters. And every team plays the percentage game in that it selects the players and tactics most likely to bring it victory. The difference with Scotland is that the method they have chosen excites and enthuses those not otherwise committed to their cause.

They are no different from any other team in recognising the importance of winning possession - the oft-cited truism that "you cannot win without the ball". But the point is what you do with that possession, and how you regard it.

For many club and international teams it is, first of all, a means of stifling the opposition - establish forward domination and play a tightly controlled game that minimises mistakes, using battering-ram back-row moves and well-placed kicks to make progress upfield.

Provided it works, this is not unattractive to the committed. Vast numbers gather at Welford Road, Leicester, to see if Dean Richards and his club team can maintain their present rate of three pushover tries a match.

The new Twickenham stands are a monument to the crowds attracted by England's penchant for setting up rucks and Rob Andrew kicking to the corners. The possession gained. And any fan can appreciate the technique of a dominant pack and the skill of a kicking outside-half, even as they speculate on the wing's chances of getting hypothermia.

Changing the England back row for the sixth time running shows uncertainty

first a long, swerving break by Kenny Logan, then a refusal of the easy drop-goal option in order to go for the line.

Scott Hastings, a rock-solid centre whose defensive solidity helps underpin the brilliance of fly-half Gregor Townsend, equals brother Gavin's record of 61 Scotland caps today as he aims for an exclusive place in the record books as the first Scot to play in two Grand Slam teams.

England may have the power and, as the selection of Dean Richards shows, certainly have the intent to stifle the Scots. They have also taken revenge three times since that 1990 defeat by Scotland, including the gripping, low-scoring 1991 World Cup semi-final. But with the once all-powerful front-five in transition, changing the back row for the sixth game running shows uncertainty - and the back row is exactly where Scotland are strongest.

Scotland could probably do England no greater favour than send them homewards to think again about a more flexible and imaginative approach. This is already Scotland's year, and today should be their day.

Dublin, the Welsh revival in spirit and style needs a win to bolster it against those who would dispatch them back down the damage-limitation dead-end of recent years. Ireland just need a win but talent morale in recent history, in a fixture that has produced only one home win since 1984, favours the Welsh.

World Cup Cricket Catching England's ills

Mike Marqusee says the serious work begins as the quarter finals beckon

This World Cup badly needed an upset, and at just past 3pm on Thursday, in Poona, western India, it got one, as lowly Kenya pulled off a sensational 73-run victory over the once mighty West Indies.

Until then, the preliminary group rounds seemed little more than a ritual, a chance for cricket's super-powers to probe each other's strengths and weaknesses, with the qualifiers for the knock-out stages a foregone conclusion. Now to be certain of a place in the last eight, West Indies will have to beat current form that seems even less likely than Kenya's giant-killing act.

The West Indies seem to have caught a bad case of the English disease. From the start, they appeared demoralised, sullen and fractious in the field, as if playing cricket in this part of the world was merely one of the burdens of super-stardom.

In contrast, the Kenyan amateurs, strongly backed by the Indian crowd, were enthusiastic and committed. They had come to enjoy their cricket,

and it showed. This triumph for naivety sincerely over world-weary cynicism not only vindicated the presence of the much-derided "minnows" in the World Cup, but went a long way to justifying the existence of the controversy-wracked competition as a whole.

Holland have also acquitted themselves with honour (the young habemus Noortwijk and Zuideren impressing against England), but the UAE have proved an embarrassment playing without purpose or plan. It remains a mystery how they defeated the Kenyans in the 1994 qualifying tournament.

Until Kenya's victory, it had been assumed that the key match of the day would be the showdown between cup-holders Pakistan and the red-hot South Africans in Karachi. These were the two strongest sides in an otherwise lacklustre group, and for Pakistan it was considered vital to top the group in order to play their quarter final match at home (especially as both semi-finals are to be played in India).

Pakistan had made a late entry into the competition, dispossessed easily of Holland and over Australia's sub.

Apart from Kenya's historic victory, the best match of the cup so far was the encounter between Australia and India under the floodlights before a packed house at Bombay's Wankhede Stadium.

Coming off their confident victory over the West Indies at Gwalior, the Indians once again displayed unaccustomed zeal in the field, with captain Azharuddin's agile close catching and Kamal's rifle-quick returns from the deep deflating the spectators. While bowlers Srinath and Kumble showed the control and variation that made them so successful in English county cricket last summer, the batting leaned too heavily on 22-year-old Sachin Tendulkar.

Outshining his rival Lara, Tendulkar has been the batsman of the tournament. In Bombay, he hit 90 off 84 balls (with 14 fours) and, had he survived for another 15 minutes, the Indians might have overhauled the Australian total.

That total owed much to the marvellous 128 off 135 balls (including eight fours and three sixes) by Mark Waugh. If

Continued on Page XI

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SPORT / MOTORIZING

Continued from Page X

Tendulkar is the ultra-modernist of contemporary cricket, matching power with innovation. Waugh is a standing reminder of the virtues of the classical style, relying on placement and timing.

Waugh opened the innings with Taylor, who shocked the Indians by abandoning his usual stone-walling defiance to strike a rapid fire 58, while Waugh was still on 38. Taylor's captaincy is one of Australia's main assets, and Warne, endlessly varying flight and turn, seems to have the ball on an invisible string, leaving the batsmen nothing to hit.

Intriguingly, the World Cup match winners may well prove to be the leg-spin trio of Warne, Kumble and Mushtaq Ahmed (now joined by the lesser light of Zimbabwe's Paul Strang).

Traditionalists who have accused the one-day game of eradicating cricket's arcane craft may have to revise their judgments. Increasingly, it is being raised to a collective science, while still leaving scope for individual artistry and, as the Kenyans have shown, the decisive importance of heart and soul.

As Omer Kureishi, the veteran Pakistani commentator, has observed: "In one-day cricket, the element of mind has come to the fore." It is this element that both England and the West Indies seem to lack.

Memories of Dutch cricket

When I was 14 years old I received a letter saying I had been picked for the Dutch youth cricket squad. Although I held wildly unrealistic views of my own ability, I was surprised. First, although I lived in the Netherlands, I was English and not Dutch; second, every Saturday morning boys such as Tim de Leede and Klaas Jan van Noortwijk hit my leg-spinners into the local canal.

Twelve years on I have stopped feeling ashamed. Against England in the World Cup in Asia last week, Tim scored 41 and Klaas Jan 64. Now I can tell people about the day I scored not 12 but off Klaas Jan's bowling, and the ball of Tim's which I hit for three (not an edge - a firm pull to backward square leg).

Tim de Leede was the star of my generation. A doctor's son - most Dutch cricketers are upper middle class - he was good enough at football to have attracted Sparta Rotterdam, and better at cricket.

He once batted left-handed against my team and hit several sixes. But he was always generous. Over lunch at a national squad training camp, he complained that he had been unable to hit a boy's off-spinners out of the

ground. The boy, a star himself, shone with pleasure.

Until last week, when I saw him hitting sixes against England and Pakistan, Klaas Jan impressed me less. In hindsight I can see that like Bradman, he did little that was flashy but nothing that was wrong.

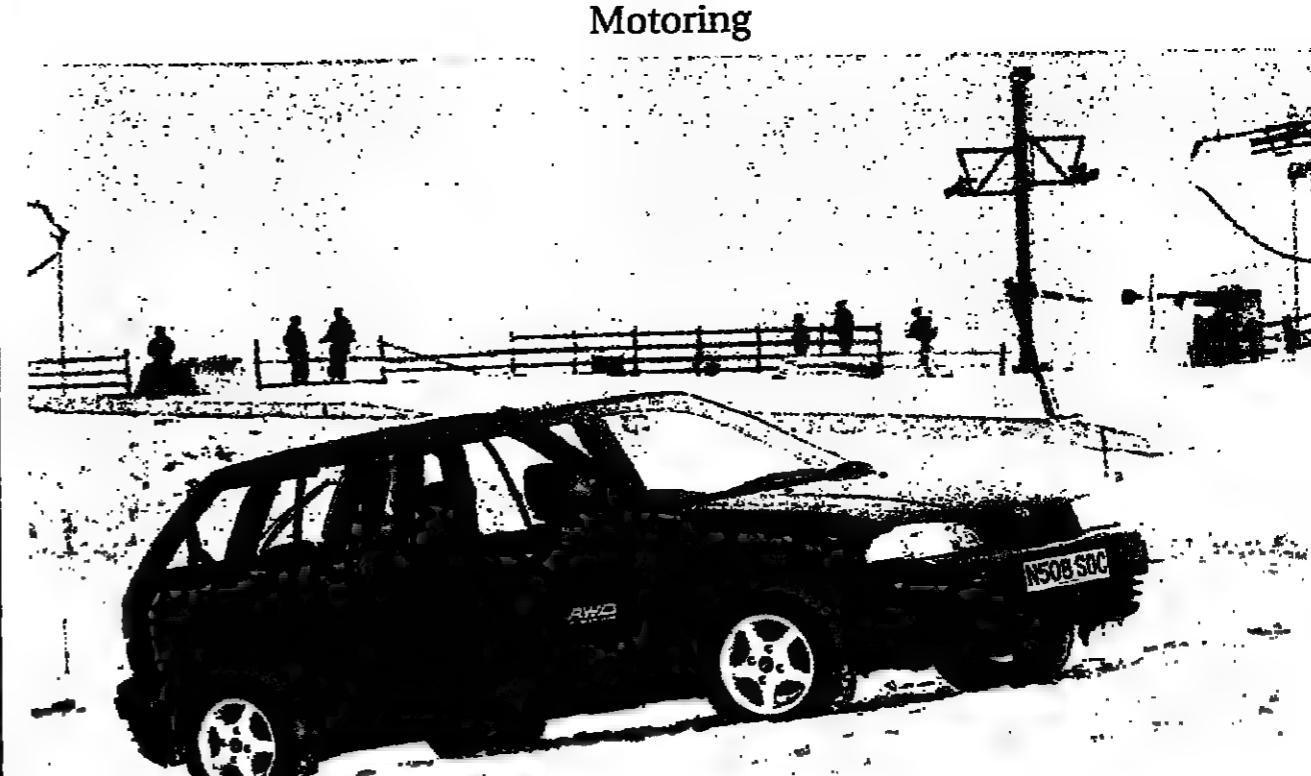
But he fell victim to the deadly serious side of Dutch cricket. Even at my club, which plays the equivalent of village cricket, the players turn up 1½ hours before the match to swivel their pupils in their eye-sockets and perform other performance-enhancing exercises.

Charged up, they storm on to the field and drop the simplest of catches. At VOC things were worse. Boudewijn enjoyed visiting discos and, as a cure, he was demoted to the third team. He did not respond well, and he is not in India this month.

Perhaps Eldert Frank will make the next World Cup. I first met Eldert - red-haired and freckled, distantly related to Anne - when I was 12 and he was nine. I bowled him an off-spinner in the nets that hit him in the stomach, and he cried.

Later he moved to Rotterdam. Now he bowls left-arm spin for the VOC first team and, come 2000, he could be taking England wickets.

Simon Kuper



Subaru's new Justy - keenly priced and Japanese standard

People who need four-wheel drive cars, as distinct from those who buy on-off road 4x4s as lifestyle accessories, have always thought well of the Subaru

range, writes Stuart Marshall. The Legend, with permanent all-wheel drive, is a proper countryman's estate. And the supermini-sized Justy, with

selectable front or four-wheel drive, has been the logical second car for families living in places where winters are snowy and driving conditions difficult.

The new Justy (pictured above) will be better still. It has a four-cylinder, 1.3-litre engine instead of a 1.2-litre, three-cylinder. Four-wheel drive is now permanently engaged, with tractive effort automatically allocated

between front and rear wheels according to road conditions. Power steering, driver's airbag, electrically adjustable door mirrors and anti-theft immobiliser are standard.

British sales have just started at £8,599 (three-door) and £9,000 (five-door). The new Justy is made (to Japanese standards) in a new Hungarian plant jointly owned with Suzuki.

Clever traffic busters

For some weeks I have been using two electronic motorising aids: a Philips Routefinder and a Trafficmaster. I am still not sure whether they are a great leap forward or an ingenuous complication.

Routefinder works out a detailed route from A to B: from Abergavenny to Bognor Regis, if you like. And Trafficmaster presents a visual report on the state of play on Britain's motorway network. Both have their uses - and limitations.

Routefinder is really a computer-age supplement to the motorway map. Press the right buttons and it displays on a tiny screen (70mm x 40mm, which is smaller than a credit card) details of a route, using or avoiding motorways as you wish; calculates fuel costs; and estimates your time of arrival.

Trafficmaster tells you on a 50mm x 65mm screen how well the traffic is flowing - or not - on motorways and the trunk roads. It zooms in for a detailed look; for example, the M25 can be viewed in four segments. The information is obtained by sensors on motorway bridges and is more accurate than radio traffic reports because it is updated every three minutes.

These devices are not cheap. Routefinder was launched at £199.95 but is now discounted. Trafficmaster costs £149.99 but will not work without a regular supply of electronic information keys at £10 a month (£110 a year).

All the information on Routefinder could be gleaned from a good map like Philip's (no relation to Routefinder's maker) peerless 1in/mile road atlas. When travelling alone, I plan a journey in advance; write the numbers of roads and motorway exits boldly on a piece of paper; and tape it to the fascia. It can be read virtually without my eyes leaving the road.

Only drivers with sight sharp enough to make out the microscopic writing on a modern car radio's buttons can hope to do this with a fascia-mounted Routefinder. Though a similarly sized Trafficmaster is better, it can be hard to read when driving into the sun. Computer-literate passengers will reckon a Routefinder is a great aid to navigation. Intelligence is only as good as the use to which it is put.

If I was heading for the M25 and Trafficmaster told me it was at a standstill between junctions 5 and 6, I would use the A25 instead. That is because I live nearby and know exactly how to pick up the motorway at junction 6. But suppose I was going north on M1 and, just after junction 29, Trafficmaster showed a jam had developed between junctions 30 and 31. Would I pull off at 30? If it were daylight and I had a large-scale road

'A 2005 car going on the blink hardly bears thinking about'

map to navigate by, I might. Or I could drive to the nearest village with a name sign and get Routefinder to find me an alternative route from there.

But on a wet night I would probably take a chance on the traffic moving again soon. Better than that risk getting lost, especially when one can always phone ahead by mobile to explain the delay.

What Routefinder and Trafficmaster should ideally be able to do is provide information by head-up (seen through the windscreen) display, computer-generated voice or a combination of the two. Glancing down to fiddle with radio or heater controls already causes many accidents. Trying to read data off very small screens could, too.

A solution to this problem is coming. Clever though they are, Routefinder and Trafficmaster must be overtaken soon by new technology. The Royal Automobile Club forecasts that 10 years hence, its members will be driving "smart" cars routinely equipped with space satellite-based automatic vehicle location and naviga-

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Stuart Marshall

TRAVEL

To stand and watch the windswept ice heave up and down in long rolling waves as the sea rose and fell under the frozen surface was a fascinating sight. It was also, well, a little scary. Why? Because I was standing on the ice, no more than 10cm thick, at least a kilometre from land.

My disorientation must have been apparent. "Ice is quite elastic," Anders Boysen called out. He turned and headed on over the snow-blasted Baltic. "Let's go out to the light-house," he said, gesturing eastwards where we could see a big ferry ploughing towards the open sea through the shipping lane.

Sound like masochistic madness? Not at all. What Anders, three other friends and I were engaged in on a Saturday in February was one of the great outdoors experiences of a Swedish winter: long-distance skating.

We were not alone. On our 20km trip around the islands that dot the coastal waters off Nyköping, south of Stockholm, we saw dozens of other skaters, gliding in groups across the frozen sea, many of them, like us, out for most of the day and in search of those glorious stretches of clear, smooth ice where a tailwind helps you fly over the surface at exhilarating speeds.

It is a sport that is growing in popularity. Unlike in the Netherlands, where the winters are seldom cold enough to allow the Dutch to indulge their passion for skating the canals, every year offers at least several weeks of skating - and up to three months in a good year. Lighter snowfalls in recent years and the low-tech, environmentally friendly nature of outdoor skating have led many Swedes to leave the ski-slopes and trails for the ice.

Conditions for skating tours are perfect in the area of east-central Sweden around Stockholm. Inland and further north there is too much snow on the lakes and sea. Further south, it is too mild. But around Stockholm an endless string of inland lakes and coastal archipelagos, combined with sub-zero temperatures and usually light to moderate snowfalls, provide hundreds of miles of skateable ice - in beautiful surroundings.

On Saturday, a strong wind and the threat of snow curbed our ambitions for a long skate from an outlying town back into Stockholm. But under the leadership of Boysen, an experienced skater with a canny eye for the state of the ice under our feet, we set out from the ice-bound dockside at Nyköping in mid-morning for a tour that was to last about four hours (including coffee-and-sandwich stops).

Embarking on such an outing is not something to be done lightly. Skating can be perilous, even for the experienced. More than 250 people have drowned in Sweden in the last 10



Falling blades: If you fall through the ice, turn back the way you came from and tread water

Escapades on thin ice

Hugh Carnegy discovers long-distance skating during a Swedish winter

years after falling through ice. Most were ice-fishermen (a common sight in winter, working their hand-drills like giant corkscrews). But every year brings its stories of skaters plunging into an icy fate.

Obviously, you must be a competent skater, comfortable on the special long-distance skates that you strap on to your boots and which can be up to 55cm long. Ice hockey or ice dancing skates are unsuitable for long trips on rough, natural ice. But you also must have an experienced group leader who can "read" the ice. A thickness of 10cm is reckoned to be secure, but thicknesses can change rapidly.

Anders, a member of the century-old Stockholm Skate-Sailing Club that is the chief long-distance skating organisation, explained some basic tips. "The ice is weak under bridges, because the bridges hinder the escape of the warmth in the water. Sounds

and narrow passageways are dangerous because of currents preventing the ice forming. And be careful of snow drifts on the ice. The ice there is often thin because the snow has an insulating effect."

Equipment, too, is all important. Skaters habitually carry a backpack with a full change of clothes sealed in a plastic bag in case of an unwanted ducking. The backpack must have a waistband, as a pack unfastened at the waist can ride up if it falls in and push your head into the water. On the side of the backpack is strapped a lifeline, for helping pull up anyone unfortunate enough to go through the ice.

Similarly, every skater wears a pair of hand-held ice picks around the neck to stab into the ice and so help pull yourself out.

Every skater must also carry a pole with a strong ice pick on the bottom

for testing the ice thickness in uncertain areas, especially close to cracks which are common both in sea- and fresh-water ice.

If you do go through, the drill is as follows: turn back the way you came from to pull yourself out as the ice is likely to be strongest there. Tread water and either get your lifeline to your companion, or vice versa. While being pulled up by the line, use the hand-held ice picks to get additional purchase to heave yourself up.

It sounds offputting. But a careful group should not need to worry. Instead, the thrill of speeding over the sea, blades rasping rhythmically on sun-splashed ice, quickly dispels any fears.

After struggling for an hour on rough surfaces against a fierce headwind, we suddenly hit clear ice where the snow had been blown away and the wind was in our favour. With a

whoop, we raced over what in a few months would be open water, chasing a group of low-flying swans. About us were rocky islands, topped with pine trees, draped in snow and fringed by the clinging ice - a breathtaking landscape.

We met some skate-sailors - an extraordinary sight on skates with 30cm-high blades holding windsurf-like sails on crucifixes borne on their shoulders. They blast over the ice reaching speeds of 100km an hour in what must be one of the world's most exciting sports.

My early anxiety faded and I could appreciate Anders' calm guidance. As we moved on to fresher ice, he stamped his skate a few times at my question about its thickness. He shook his head at the dull sound that resulted. "It sounds different if it is thin. When it is thin, the ice sings," he said.

A novice in Norway

I tucked my camera into my rucksack and set off after my two companions. I was now writing with increasing confidence now, one ski gliding easily after the other. Even downhill runs were no longer a worry and I gave the steepness of the path ahead hardly a glance as I hopped over the gully.

It was my first time on cross-country skis and I felt like an old pro; and I fell like a novice, one ski sliding outwards just before the bend so that I came hurtling round the corner on my back, skidding uncontrollably over the icy snow. I finally came to a stop and as I struggled to bring some sort of order back I realised that three Norwegians were waiting to climb the hill.

"Are there any more persons to come round the corner like that?" the man asked with great seriousness, clearly fearful of being swept away in an avalanche of novice British cross-country skiers.

My fall took place at Feor in Gudbrandsdalen to the north of Lillehammer in Norway.

The day had begun with the ritual of fitting skis and ski boots.

The knowledge that the rest of the party had all skied before simply added to my growing apprehension.

But in the sure hands of Arnefjord Lieu, the ski instructor, that fear was soon dispelled. He concentrated mainly on balance and I was soon limbing easily under crossed ski sticks and nonchalantly tossing snow balls back and forth to my partner as I slid on my feet.

The Feor Hotel dates back to 1891 and Captain Scott stayed there when he was planning his journey to the South Pole.

The easy skiing through sun-dappled pine and birch forests hardly compares with the harsh climate of even the best Antarctic summer. It did not seem the most appropriate training ground but the wind was to prove me wrong.

The gale that hit us on the following day when we had moved to the Hotel Rondablikk, on the opposite side of the valley, was unexpected and the worst in many years. It not

only brought snow of its own but picked up old snow and casually redistributed it in apparently random fashion. Sculpted white banks piled up against the windows of the indoor pool and cars disappeared under its blanket.

Frustrated by my confinement after discovering a new, accessible and enjoyable sport, I joined a few others for a brief ski sortie in the afternoon. The wind had abated but the path was partly cleared, partly drifted over. So the going was easy.

After the open hill top where

we had battled individually with the elements, we revelled in the peace of the woods and hissed through the trees in companionable silence.

But another open stretch

reminded us of the real conditions and reluctantly we returned. Our tracks had

already blown away and tiny bamboo markers were the only tell-tale signs of the route.

An hour was enough to fight

our way back through the enveloping blizzard and gave

me time to consider that,

unlike us, once Scott was in the Antarctic he did not have the incentive of a comfortable hotel with a sauna to make for.

Cross-country skiing was not the only sporting pursuit. One day, with an hour to spare before lunch, we donned skates to slice and scrape the frozen surface of the hotel tennis courts.

There were more games.

Ragnar Jacobson, the hotel owner, produced six polished granite curling stones and some brushes and we played

several heads, sweeping the ice

clear in front of the sliding stones in a most professional manner. When my turn came, I swung the 20kg stone back and forth and let go. The heavy stone dropped with a sombre clunk and all remained stationary while I slid off down the ice on my hands and knees.

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TRAVEL

The crisis is over. Britons have regained their nerve and are returning to Florida. A few scare stories about tourists being hijacked on the perimeter of Miami Airport caused panic attacks, not least at the Miami Visitors Bureau, but the problem has been solved by better signs inside and outside the airport: police patrols designed to round up any myopic new arrivals who take their hired cars off the freeway and into the adjacent ghetto; and time.

Perhaps the best solution of all is not to pick up your rented car at the airport but take the frequent bus shuttles into town and enjoy a few days in easy-going Miami before setting off north for Disney World or south for the Florida Keys.

For the tourist there are three obvious residential options. You can identify with Al Capone and the Duke and Duchess of Windsor, and make for the Biltmore Hotel in Coral Gables. The Biltmore is the movies gone wild, a Spanish mogul's dream of home, circa 1926, bounded by a golf course and the largest swimming pool in mainland America, the very pool into which Johnny Weissmuller dived to become Tarzan and a Hollywood legend.

Alternatively you can stay in nearby Coconut Grove, Miami's laid back answer to Greenwich Village. Or you can head across the causeway to Miami Beach.

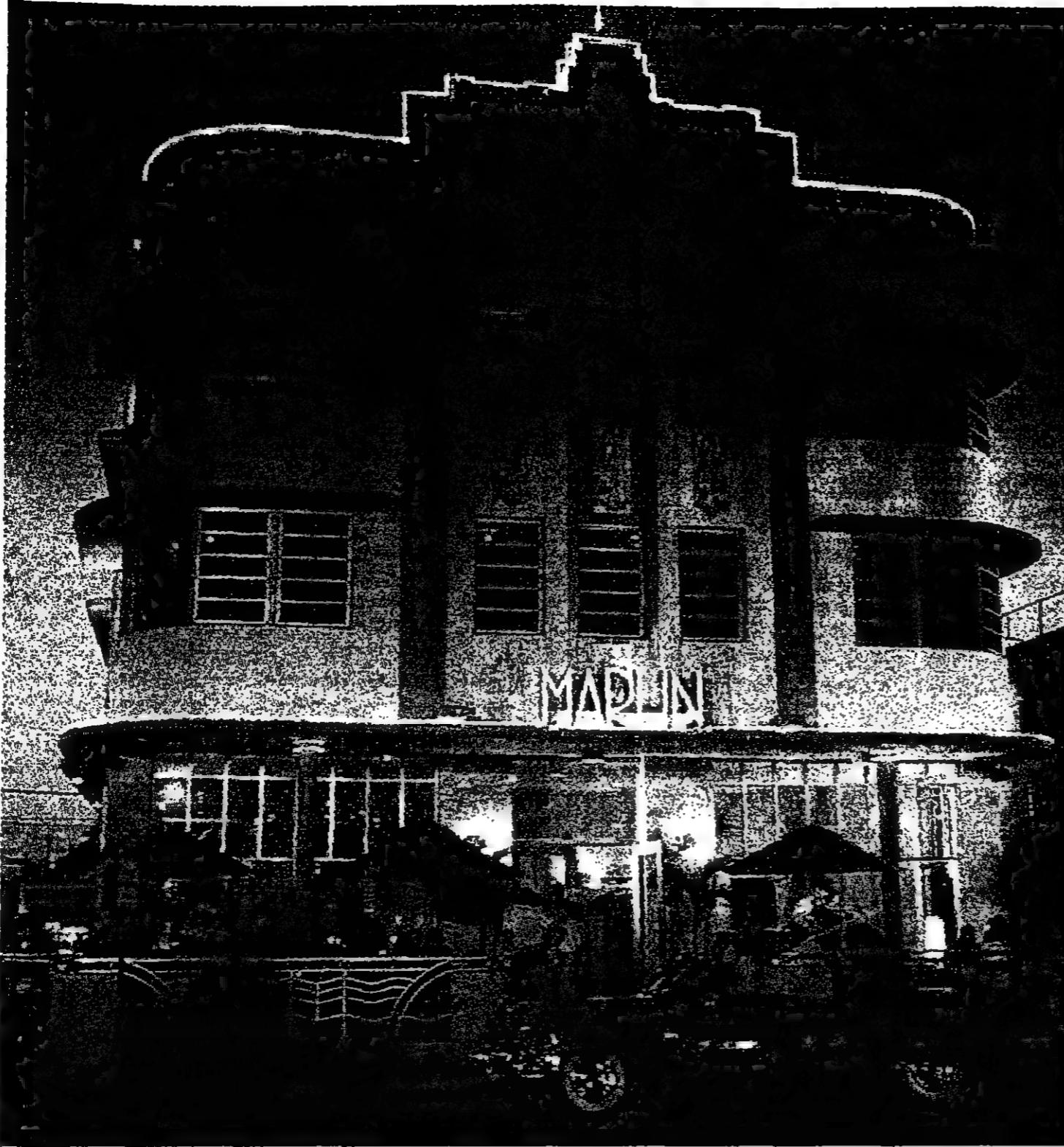
This is the sensible answer, for Miami Beach offers all the comforts of Miami with none of the big city blues. Miami Beach was America's first mass tourism destination and managed to retain much of the quaintness that the English associate with Frinton, spiced with a sharpness that comes with its traditional Jewish community and a panache infused by the more recent gay influx.

Miami Beach was largely created in the 1930s and, unlike most of the US, has an almost overwhelming sense of place, the consequence of its extraordinary architecture. It is the manifestation of American art deco. The hotels were built small and cheap, steel frames with concrete covering, but their exteriors were given the escapist gloss of the jazz age. If they did not look like ocean liners, with port-holes for windows, they were modelled on the streamlined lines of racing cars.

Twenty years ago the wreckers were poised to demolish them, but in the nick of time the Beach's new inhabitants, often pop millionaires or couturiers, recognised their charm and swooped to preserve them, this time splashing pastel pinks, blues and greens, quite different from the cool two-tone originals, over the unique shapes. Now large blocks of Miami Beach look like a city made of liquorice allsorts.

On the main drag, Ocean Drive, fronting the Atlantic, Mammon has assumed the upper hand. This is now a posse's paradise, especially after dark. Rooms are still reasonably cheap, less than \$100 (£55) a day in summer when the locals waltz in the heat but Britons lap up the bargains. However, every evening you must run the gauntlet of roller-bladed greeters, trying to tempt you into the bars and restaurants that front the hotels.

For reality, go inland a block, and then two, where the decorators have made slower progress. The hotels are less gaudy, the restaurants and bars more ethnic and specialist (try the Cyber Bar on Collins Avenue for a three-minute dip into the Third Millennium); and prices much lower. Here are the Haitian restaurants, the Cuban dance halls, exotica, experiences which are ubiquitous across Biscayne Bay in Miami proper, but rather less relax-



Miami: It is unsurprising that you share Miami Beach with film crews and fashion shoots

Patrick Worsley

A liquorice allsort city

Antony Thorne visits Miami Beach and is reminded of England's Frinton

The Beach prides itself on its laid back security.

With every corner offering another vista of Edward Hopper's America it is unsurprising that you share Miami Beach with film crews and fashion shoots. But while the showbiz glitterati that flock here revel in the past they also pump money into the new.

A sensational recent opening (apart from Glam Slam, Prince's disco where every customer receives a condom and a toffee) is the re-constituted Delano Hotel. Madam owns the restaurant and red designer Philippe Starck is responsible for the interior, a succession of reception rooms divided by billowing white drapes, each with its Alice-in-Wonderland enigma - a dining table projecting from the wall furnishing one vast space, a single spotlit chair another.

You pass through people who are just "there", to the terrace, to the pool, to the bar, to the beach, an extra in a Fellini movie.

The attraction of Miami Beach is that all this chic stops abruptly around 22nd Street and normality takes over. As you move further north up the seven-mile long Beach you hit economy land - hotels with rooms at \$25, lunch at \$2.50, breakfasts at 55 cents, all with the sand yards away. Then suddenly you are back in enveloping luxury at Turnberry, south Florida's grandest golf mecca which, along with a marina, surrounds a hotel which seems to have been transported from the French Riviera. Again prices become almost modest during the English summer.

Apart from acres of featureless beach for children, and clubs and bars which compete, with the latest

laser pyrotechnics and attitude, to be the most post-modern in the land for youth. Miami also offers an attraction for mature British tourists: shopping. Prices are reassuringly lower in Florida, and there is an amazing range of shopping experiences.

Those who know need not be directed to the Bal Harbour shops, a mall so smart that it hides away from casual browsers. Anyone who penetrates its tree-lined cool will find the best of Versace, Tiffany, Cartier and the rest. For the regular tourist, there is a free bus shuttle from the Beach to whisk you to Aventura Mall, which contains 200 shops and stores and the imminent arrival of a multi-screen entertainment complex. For the desperate, a trip south of Miami to Florida Keys Factory Shops offers brand names to have to as much fun as the tourists.

Miami Beach is easy going. Sitting in the South Pointe Sea Food House, at the tip of the island, watching the sun set over downtown Miami's aspiring skyline, drinking the only beers brewed in Florida - peach flavoured, spiced, you can imagine the range - and watching the liners cruising, within smiling distance, to the Caribbean, it seems positively cosy. It is ersatz America, half the population Latin, the society young enough to be celebrating its centenary this year, the atmosphere more Caribbean than Yankees. On top of all these charms, it is still a cheap place to get to, to stay, and to survive.

■ **Antony Thorne** flew with American Airlines and stayed at Indian Creek Hotel on Miami Beach, a restored 1930s hotel where the staff seem to have as much fun as the tourists.

I was in a large, crowded Cantonese restaurant in Hong Kong island's busy Causeway Bay area, being lunched by a film director.

"Have you tried this before?" he said, beckoning a steaming bowl from the dim sum trolley waitress. "It is pig's knuckles."

I did my best to look enthusiastic as a large piece of something resembling orange-coated gristle found its way to my plate.

"And these are squid tentacles," he said, squirming from the waitress another bamboo bowl containing steaming snake-like things with suckers.

I looked longingly at the tea pot, which contained the only thing so far I felt happy about consuming.

Then it all got better, not just the food, as we reached safe haven with prawn dumplings, spring rolls and sticky rice in lotus leaves, but my whole first trip to this beleaguered outpost of democracy stuck, for a few remaining months, to the edge of China.

I cannot remember being so love-struck by a place at first encounter, or getting more love-struck as time went on. Three things caused the coup de foudre.

First, I was grateful the aeroplane came down at all in an airport cunningly booby-trapped with skyscrapers.

Then I experienced a theme-park-style taxi ride, a riot of tunnels, spaghetti flyovers and dazzling harbour views. (Oh look, a floodlit junk! But was it a phantom? I never saw it again.)

Finally, I was thrown off, more by the slowing of centrifugal force than any more normal taxi-exiting process, at the Excelsior Hotel, a bewitchingly comfortable pad right in the

Eat, drink, be merry - in Hong Kong

Nigel Andrews is overwhelmed by the energy and infinite variety of the British colony

middle of Causeway Bay.

You should not stay in any other area on the island. Further west lie the glossy pleasure districts of Central district full of billionaire high-rises and hotels designed to speed you towards bankruptcy. But Causeway Bay is a ragtag-jumble of shops which do not close until 10pm and street vendors who barely close at all.

The late-evening crowds are lit up, if not by rice wine or Hong Kong beer, by that permanent firework display known as the Hong Kong street sign. The blazing ideograms hang everywhere, yellow, red, green and mango-orange, like undulated explorations from heaven.

It could be a movie set: *Blade Runner* out of *Shanghai Express*. But you would not get the smell on a movie set, and even this you come to cherish.

Every Cantonese duck that ever died and was embalmed in mouth-watering glazes; every dried fish hung for weeks in a restaurant doorway, all the steam from 100 stir-fry carts, dispensing rice-and-pork or octopus or Chinese sausages. Think of London's Gerrard Street, multiply by 100, and give up and enjoy.

If this article seems food-obsessed it is because Hong Kong seems food-obsessed. Or perhaps the place is committed to a headlong riot of consumption as 1997 looms, when good times may stop rolling.

Even when I took a Sunday walk through nearby Victoria



Hong Kong crowded, exciting and food-obsessed

Will the party end? There was some crying of woe and some quiet cursing of the passport-withholding British government. Yet as I walked around the city, mostly wearing my film critic hat to interview cinema folk, I was amazed by the upbeat equanimity and energy of the place. Even the gangsters know a consumer paradise when they live in one. At one point I stepped sideways to do a little sleuthing into the famed Hong Kong Triads, which used to terrorise the movie trade and still exert a high-ranking police officer told me, a protection stranglehold on commercial businesses.

According to Detective Chief Inspector Tony Deakin, businesses in Tsim Sha Tsui, the waterfront shopping district across the harbour in Kowloon, patiently put up with the protection payments required by Triad gangs.

Why don't they protest to

the police?" I ask.

"They're very reluctant to come forward. They don't want to admit what they're doing. It's easier just to make the monthly payments."

And if they don't? "Then sometimes a hotel will get 100 people, dressed very casually, sitting down to drink one cup of coffee." Deakin, a senior officer in the colony's Organised Crime and Triad Bureau, in Causeway Bay, shrugs, and says it is something the Hong

Kong Chinese live with.

With almost no state welfare system many poor people juggle several jobs at once, and many jobs, if not the wrong side of the law, can be ingeniously off-the-wall and impudent.

All games are played in the sunshine, the way baseball should be played. Bring a hat and plenty of sun block. The cheap seats are not called "bleachers" for nothing.

It is cheap. Tickets start at \$3 (25p) or \$6 for bleachers and the best seats are \$10-\$12. Few games are sold out in advance, so you can check the weather first, it is not peak tourist season, although the team hotels will usually be full. The distances are close enough so you can sample a variety of teams.

Twenty of the 28 major league teams train in Florida's Grapefruit League, which can be reached

inexpensively. Restaurant Indonesia in Lockhart Road. Even the restaurant unromantically called Vegi-Food Kitchen in Cleveland Street has succulent dishes, though you may pause at a menu that includes "black moss" and "slim fungus".

Then again these may be dubious English transliterations. In its indefatigable bid to reach out to all visitors, Hong Kong throws the lexical works at them.

I marvelled at one restaurant window with a menu advertising something called "Stewed of turnix with ligustrum", in between the equally appetising "Baked fish maw and sinew" and "Cook in oil of ostrich with polycyclidum".

Hong Kong does not let the visitor rest from sense experiences, culinary, linguistic or scenic. Near the end of my stay I took the funicular up to Victoria Peak and gazed down on the statutory but still stunning view of white skyscrapers at the feet of green mountains.

Then when I came down a Hong Kong friend said: "But you can't leave without seeing that view at night!" He offered to take me himself the following evening. But we got caught up, like the rest of Hong Kong, in a last, very long meal.

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The religion of the US ball parks

Michael Carlson goes on a baseball tour

The surest way to be converted to baseball is to be taken to the game. One British convert fell in love simply with the ritual of fans passing orders of beer, their payment, and change, along the rows during the game. "At a football match," he said, "they'd steal the money, drink the beer, and throw the change at the referee."

And the best time to be converted to baseball is during spring training, a six-week exercise period that takes place in Florida and Arizona. Throughout March, teams play a 30-game exhibition schedule, before opening their real seasons up north (or down south, in the case of Miami's Marlins).

Although teams have always trained in warm weather (Bill Clinton's Hot Springs, Arkansas, was a popular site in the early part of the century), spring training as we know it was invented by Branch Rickey. Known as "the Mahatma", Rickey was the Brooklyn Dodgers' general manager who signed Jackie Robinson to break the major leagues' colour barrier in 1946.

"Dodgertown" in Vero Beach, Florida, looks more like a summer camp than a modern baseball complex, but even though the Dodgers now play in Los Angeles, they return east for the spring. During games, manager Tommy Lasorda sits on a bench spending more time with the crowd than watching the game.

Spring training is relaxed. The ball parks are intimate, with fans appearing to sit almost on top of the players. The players are accessible. Autographs of sporting heroes are big business in the US, and stars will be followed by signature-seekers, some of whom know to a cent the value of each name on a baseball card.

Spring training is full of the odd moments that define the game. Cal Ripken Junior, who broke the consecutive games played record of Lou Gehrig, ("the Iron Horse"), (remember Gary Cooper in *Pride of the Yankees*), has played every inning of almost 2,200 games, but in Fort Lauderdale the Orioles will substitute him and he will go to the bench without a murmur.

This is the time when stars stop their drills to watch a hot prospect take cuts in the batting cage. When the septuagenarian in the next seat is someone who saw Lefty Grove pitch, or drank with Jimmy Foxx in a Florida bar, it is when you sit hypnotised by the ball's lazy arc as a coach hits practice shots for outfielders.

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Jillian's

ARTS

Michael Coveney, better known for his barbed and fiercely individual theatre criticism, is making quite a reputation for himself as a chronicler of the theatre's great and good including Maggie Smith and the late Robert Stephens. The newest addition to his stable is a welcome tribute to the unique work and world of Mike Leigh. Coveney is, though, tackling much trickier territory with such an ambivalent and complicated character.

Leigh is known in this country largely through the success of *Abigail's Party*, the comedy of grotesque 1980s manners which launched the career of his actress wife, Alison Steadman. Many other actors have been made popular through Leigh's work, including Jane Horrocks in *Life Is Sweet* and David Thewlis in the dark and brooding film *Naked*. His work is an acquired taste for the casual film or theatregoer. But when he hits the mark, as he did with *Naked*, his vision is distinctive, painfully funny and unmistakably British.

Leigh hates the word

Maverick director made good

Lou Stein on a spirited defence of the off-beat work of Mike Leigh

Improvisation, although he begins his projects with no script, no outline and no pre-conceived story structure. His method depends on the casting of an ensemble of game actors who research and develop a character based on someone they know. They then throw themselves

THE WORLD ACCORDING TO MIKE LEIGH
by Michael Coveney
Harper Collins £18, 288 pages

into a rigorous rehearsal process of observation and discussion which can take months. Putty in Leigh's hands, the character-immersed actors are thrown into a developed sequence of simple situations: "Wendy confronts Nicola"; "John and Sophie meet"; "Lorraine and Billy go to bed" and so on. The real improvisation emerges from the way Leigh playfully manipulates

the characters to arrive at a finished film or play.

In *The World According to Mike Leigh*, Coveney tries to give an understanding of how the off-beat and uncompromising theatre director became a British film legend in the making who manages to keep control of his own films and direct McDonald's ads with equal autonomy. Coveney's purpose is clear: he reverently builds a case for Leigh as a great "maverick artist" of theatre and film whose place in the top ranks of British genius should be unquestioned.

The book begins in Soho with the first cast and crew get-together for Leigh's latest film ("Untitled '95") and ends in Chingford two weeks into the filming. In between is a cleverly constructed picture of Leigh's artistic and personal life from boyhood in a Jewish *Hobovin* family in Salford, through formative bohemian years as an



Mike Leigh: acquired taste

actor and director of theatre on the 1960s fringe to his development as a mature *cuteur* of the 1990s. Coveney writes about Leigh's middle-class Jewish background and builds an affecting picture of

the director's inability to come to terms with it in his youth. The rejection of his roots is shown to be an inextricable part of his personal contradictions and creative drive.

There is a marvellous point in the book when this theme pays off. While he is working in an Australian drama school in the mid-1980s, he learns of his father's death. Thoughts of his inability to get close to his father while he was alive prompt Leigh to go on a soulful trip to China. He disappears into a strange culture which helps him come to an understanding of his own alienation and despair. Leigh's crisis with his work, his family and his background comes to a moving psychological climax.

However, Coveney's personal picture is sometimes obscured by overly zealous accounts of Leigh's major and minor works including a relentless defence of Leigh's view

of the world against such assailants as David Hare, David Edgar, Julie Burchill and Pauline Kael, the legendary New York film critic. He continually thrusts and parries against accusations of the film-maker's occasionally questionable point of view, particularly when Leigh deals with lower-middle-class values and victimised women.

And this is the fatal flaw in the book - Coveney is so close to his subject that his usual objective and penetrating critical eye succumbs to a one-sided defence. In the end, it weakens the reliability of the picture he is trying to create. Though Coveney's book is a detailed and meticulously researched compendium of the Life and Times of Mike Leigh, he seems uncharacteristically shy of really questioning the attitudes which might bring us to a real understanding of how they inform Leigh's work.

It is however, chatty, clever, and readable if you are a Mike Leigh fan or "in the business". If not, you will have to pick your way through actors, films, and plays which you do know to really enjoy it.

Duality reality

Marjorie Garber has had a vision of bisexuality. Or rather she has discovered a mathematical diagram which, she believes, will enable us to understand the psychic experience of swinging from one side of the sexual pendulum to the other and back again - or not. No wonder the book jacket excitedly and misguidedly talks up her weighty tome as "trail-blazing and guaranteed to challenge everyone's preconceptions about love, desire, sex, gender and identity."

Professor Garber's visionary diagram is the Möbius strip - a surface having only one side and one edge. This envisioning strikes us as both pompous and absurd. Even a metaphoric connection between the strip and the bisexual person is hard to glean. It elucidates nothing. But Garber's imagining is characteristic of her attempt to endow bisexuality with pristine significance.

For it is *Vice Versa*'s governing conviction that bisexuals are devastating saboteurs of false values. They should not, she eloquently insists, be categorised as transients who cannot make up their minds, who aimlessly respond to calls of nature from both sides of the fence. They apparently blaze a trial to the sexual landscape in which we all truly belong.

For Garber "suspects" bisexuality "undoes sexual orientation as a category, threatens and challenges the easy binaries of straight and gay... and even through its biological and physiological meanings, the gender categories of male and female."

This breathtaking constructionist view of sexuality sees it as culturally conditioned and arranged. It harks back to the 18th century when, for example, homosexuality was not recognised as an identity and buggery was reckoned a chronic depravity to which everyone might succumb. In another, unfortunate word - and Garber uses it - sexuality is "fluid" not

VICE VERSA
by Marjorie Garber
Hamish Hamilton £25, 606 pages

"fixed", a "narrative" that people make up as they go along their lives.

There is obviously some sense in avoiding a rigid taxonomy of sexual orientation by which people are supposed to exist. It is quite legitimate to argue that there is no such firm thing, for example, as heterosexuality - just a series of sexual acts and the deep cultural behaviours closely associated with them. But the very word orientation - "determination of one's position in relation to circumstances" - hardly denotes a fixity. And an attempt to challenge the fact of gender categories on the basis of the human capacity - whether activated or not - to behave bisexual is something far more sweeping. Does biology have no validating function? Is gender - with its defining bits and pieces - merely a myth or mistake? No surprise then that the author, a professor of English at Harvard, attempts her iconoclastic mission fitfully and does not manage to fulfil it.

The book's main function is to cast a very roving eye over the insufficiently recognised or disclosed history and culture of bisexuality and its important role in literature and life. The prevailing academic tone and rather rambling narrative is sometimes curiously relaxed as Garber plunges into the world of television confession programmes and controversial magazine articles where assorted Americans happily confess the pleasures and pains of bisexuality.

Freud, to whom Garber pays close, provocative and critical attention, wrestled continually with the "conundrum" of bisexuality, the fact of the bisexual potential residing in all human kind. *Vice Versa*, at a stroke, solves the conundrum. Garber's act of supposed liberation is to suggest that it is a mode by which one can live in happiness and fulfillment.

That of course can be true. It depends on many circumstances. But her book would be more bracing if it more rigorously considered how a world in which bisexuality was commonplace would and should change our existence, supposedly monogamous marriage and family relations. Instead Garber treads a not unfamiliar literary paths ranging from Tiresias in ancient Greece to bisexual bohemians and artists in London and New York before the second world war. The real and the fictional - Tennessee Williams's football hero in *Cat on a Hot Tin Roof* and a bisexual stricken Mormon in Tony Kushner's *Angels in America* jostle more than a touch randomly with Vita Sackville-West, Harold Nicolson and Virginia Woolf putting a different complexion upon married existence.

All bisexual life is here, or almost. That is Garber's insistent point. Those who have been described as sexuality's chronic undecideds, whose lives have been misrepresented and misappropriated, are in fact true to all of us. They engage in those diverse sexual regions where the timorous fear to tread but could if only we would. They are our future. That is the author's huge simplicity, and it is not new, despite the comprehensive survey of the terrain.

Nicholas de Jongh

Art, sex and the unmasking of a perfect Victorian

His heroes may reflect his existential angst, but Mann was a bourgeois family man at heart argues Jackie Wullschlager

Thomas Mann was a sober, bourgeois German who married, had six children, wrote a famous novel (*Buddenbrooks*) and an even more famous short story (*Death in Venice*), and won the Nobel Prize. Bizarrely, this respectable and rather dull life has proved an irresistible draw to modern biographers: this is the third account of Mann to appear in six months. What were his magic attractions?

Mann would have been amazed, but the answers are art and sex. On the former, he embodies our centenary's idea of the alienated genius who chose to suffer in order to create. "The fact remains that healthy, strong emotion is always inspired", he said. "An artist is done for as soon as he becomes human and begins to feel". In his introspection, his dedication to his craft and his exile from Germany on account of it, he is one of the first examples of anguished modernism.

On sex, by contrast, Mann was not modern at all - and that is the other half of his appeal. Born in

THOMAS MANN
by Ronald Hayman
Bloomsbury £20, 672 pages

1875 in Lübeck and formed by the 19th-century German culture of mercantile propriety, Mann is for English readers the perfect Victorian-in-waiting-to-be-unmasked. His sexual secrets, a diary whose titillating thoughts bore no relation to his outer life, and so he is a target for contemporary know-how to gloat over 19th-century hypocrisy and repression. Hayman does this with aplomb: the mix of vulgar prejudice and sensitive appreciation here is a reminder of how close literary biography is to tabloid expose.

First, Mann the artist. *Buddenbrooks*, says Hayman cleverly, was a hit by being a novel about decadence which was not itself decadent. Recounting the decay of his own family, Mann fixed the decline of the European bourgeoisie, conveying an exceptional sense of "bourgeois patrician dignity", the dignity that derives from the slow movement of solid wealth". Published in 1901, the book made Mann famous at 25. It caught the mood of the new century and sold 1.3m copies - the most popular novel in pre-Hitler Europe apart from *All Quiet on the Western Front*.

Hayman makes a convincing case for Mann as "the last great European man of letters". Not only did his fiction reach the sort of mass audience that today television alone commands; he spoke to that audience in a way that television cannot do, for "there can be no visual co-efficient to the sophisticated self-consciousness of Thomas' heroes... their links with society and the pressures on their psychic integrity".

Hanno in *Buddenbrooks*, Tonio Kroger, Aschenbach in *Death in Venice*, are all versions of Mann in his existential angst. So are the patients in the sanatorium in *The Magic Mountain*, which Hayman perceptively compares with *A la Recherche du Temps Perdu*: both are high points of modernism which would have been neither so good

nor so long had they not been interrupted by the first world war. Like Proust, Mann had homoerotic interests. Unlike Proust, however, and other key modernist figures such as Joyce, Mann never tried to throw off the shackles of bourgeois respectability, and wanted nothing more than a conventional family life. It is in failing to sympathise with this that Hayman's biography comes unstuck.

There is no evidence to suggest that Mann was anything other than contentedly married. "You cannot believe how much I love this creature", he wrote when he was courting his wife Katia. "I dream about her every night and wake up with my heart hurting all over. I have tasted too much of her to be able to withdraw". He produced four children in six years and two more when he was in his 40s, and his diaries are full of sentimental devotion to Katia, his babies ("Alone with the dear little one who has kicked off her blankets"), even the family dog.

But they are also full of fantasies about young men. The highlight of each summer holiday was watching boys on the beach - as Aschenbach watches Tadzio in *Death in Venice*. There was an obsession with a tanned athlete who turned cartwheels on the sand, known to Mann as "Body Joy". At 80, Mann remembers a romance with a boy: "I actually knew happiness, held in my arms someone I really longed for".

Many of Mann's contemporaries would probably have understood this duality; others would have recognised the old man's nostalgia for adolescent awakening. Hayman, however, brings to all this a late 20th-century sensibility which is much less tolerant, and which rewrites the case to expose repression in every corner.

Thus "Thomas's decision to get married was like a punishment he imposed on himself". He wanted his wife's wealth and connections but "though they often made love... he'd never taken much interest in the female body, and didn't begin to". Unforgivably, in the instant-gratification 1990s, Mann puts respectability before sexual fulfilment: "Excited though Mann had been on his own Venetian holiday by the presence of a beautiful boy, he had jeopardised neither his reputation nor his health. It might have been harder to control himself if he hadn't had fiction as a safety valve".

For all Hayman's penetrating criticism, this leaves Mann's fiction looking like neuroses recycled on a printing press: while on the life, Hayman's relentless process of unmasking reduces the human drama to banalities ("He could be himself only in private"... "He could go on releasing guilt feelings by offloading them on characters").

Hayman is one of a number of recent biographers - Morton Cohen on Lewis Carroll, Jan Marsh on Christina Rossetti - who have irredeemably misread their subjects by applying late 20th-century ideas about the centrality of sex to people for whom sex patently was not the most important thing in life. When future generations look at these interpretations, they will think our attitudes here as one-dimensional as those of the stuffiest Victorians.



A festive day in Collesano, Sicily, in 1990: photographed by Giuseppe Leone, who runs a photographer's shop on the island, taking pictures of rites of passage, weddings, family parties and public celebrations. Born in Ragusa, Sicily, in 1938, Leone is regarded as one of Italy's leading photographers. His pictures are the subject of "The Island of Sicilians" (Dewi Lewis Publishing £25, 115 pages), which includes a text by the critic Diego Mormorio.

Magic in the shade of the bomb

Jon Turney explores religion, ritual and particle physics in New Mexico

The arid, mountainous landscapes of New Mexico are a superb vantage point for anyone who wants to sample the ways humans try and make sense of their world. Here, three cultures, Indian, Anglo and Hispanic, are still evolving side by side. Here, too, the upstart cultures of science are reshaping all our perceptions, from the atomic physicists' playground at Los Alamos and through the cool, computer-driven modelling of the newly-fashional Santa Fe Institute.

This beguiling book is a tour of the country there, and of its belief systems. George Johnson, a New York Times science writer, has written an unusual popular science cum-travel book. It sounds an uneasy combination, but it works.

It works largely because of the breadth of his sympathies, and his insistence that the inquiry which guides his journey really matters: who has the best answers, Catholics or complexity theorists, the physicists charting the dance of invisible particles or the Indians dancing to keep the universe in being?

All of them, he shows, have invested heavily in their own maps of reality. And all are subject to similar temptations to confuse the map with the territory, to underestimate the limits to their understand-

ing; all are finite creatures contemplating the infinite. There can be no doubt whose system produces superior practical results. The atomic bombs built at Los Alamos worked in a way that no Indian magic ever could. Yet he hesitates before concluding that this means the physicists have better access to ultimate reality. They have no more guarantee that their brains have evolved to comprehend what is actually there than their non-scientific predecessors. They, too, are stretching the grid of their particular order over an often confusing landscape, but are they seeing more order than is actually there?

In this vein, Johnson offers lucid outlines of the scientific views, from geology, cosmology, quantum theory and particle physics, emphasising the chains of inference and assumption on which each inevitably rests. Rocks are dated from other rocks. Stars and galaxies are placed by measuring the distance to other stars. Particles are proposed to fill a gap in the equations, then conjured up in the bowels of accelerators which register their presence as flashes of light in a detector built to see just them. All are made to fit inside theories which define some information as relevant, some not. Being a scientist means being able to tell signal from noise.

FIRE IN THE MIND:
SCIENCE, FAITH AND THE
SEARCH FOR ORDER
by George Johnson
Viking £18, 379 pages

advanced by the complexity theorists of Santa Fe are raising echoes throughout the intellectual world.

In this way, Johnson offers a spectacular tour of the most compelling theories of current science, enough for several popular science books. But for all his obvious love for science and scientists he avoids suggesting that science has all the answers worth having. Although no relativist - he is quite clear about which culture is in the ascendant, and why - he is as interested in what different belief systems have in common as in what divides them.

This makes a refreshing change from the zealotry of some popular proponents of the scientific view, like Richard Dawkins. That arch-Darwinian, and inventor of the selfish gene sees astrology, say, and other beliefs as deemed irrational as irreconcilably opposed to science. Johnson, rather, sees them all as stemming from the same underlying - and overwhelming - human impulse, to create order out of the messages we extract from a complex often bewildering world. His readers will find this makes him a fine travelling companion and also, perhaps, a more effective judge of when science is superior than those who see all other beliefs as mere tradition, to be consigned to the dustbin of history.

Nicholas de Jongh

ARTS

Artistic affair with the silver screen

William Packer is intrigued by 'Spellbound' at the Hayward Gallery

It is always good to have one's worst expectations confounded. Reading the list of contributors to *Spellbound - Art & Film*, one might well have thought that here, yet again, was to be another Hayward Gallery farago of trendy modernism to keep the letters columns full and the galleries empty until mid-summer. But in the event it turns out rather well.

The *mise-en-scène* helps. With its succession of discrete spaces, Black-out alternates with light, the moving image with the still, the physical and actual with the shadow. The good along with the bad, we can take it or leave it, and move on.

The reason for so tolerable a success is not hard to fathom, and might well be pondered by our more narrowly orthodox avant-garde. Here indeed we have artists addressing film, but where appropriate it is not with film as art but with film as film.

Their work engages directly with the aesthetic of film and not with those of the plastic arts. The consequence is that the false or inappropriate aesthetic falls away, and with it all the attendant frustration and irritation with bogus claims and misplaced effort.

The point is made most effectively at the show's extremes, that is to say with painting and sculptural installation on the one hand, and with pure film on the other. Paula Rego, the sole painter included, is showing a group of large pastel drawings, the pigment almost as rich and thick as oil paint, which deal variously with her long-standing devotion to Walt Disney's *Fantasia*, *Snow White* and *Pinocchio*. These are powerful and remarkably well-sustained figure-compositions, their connection with the stimulus of film direct and obvious.

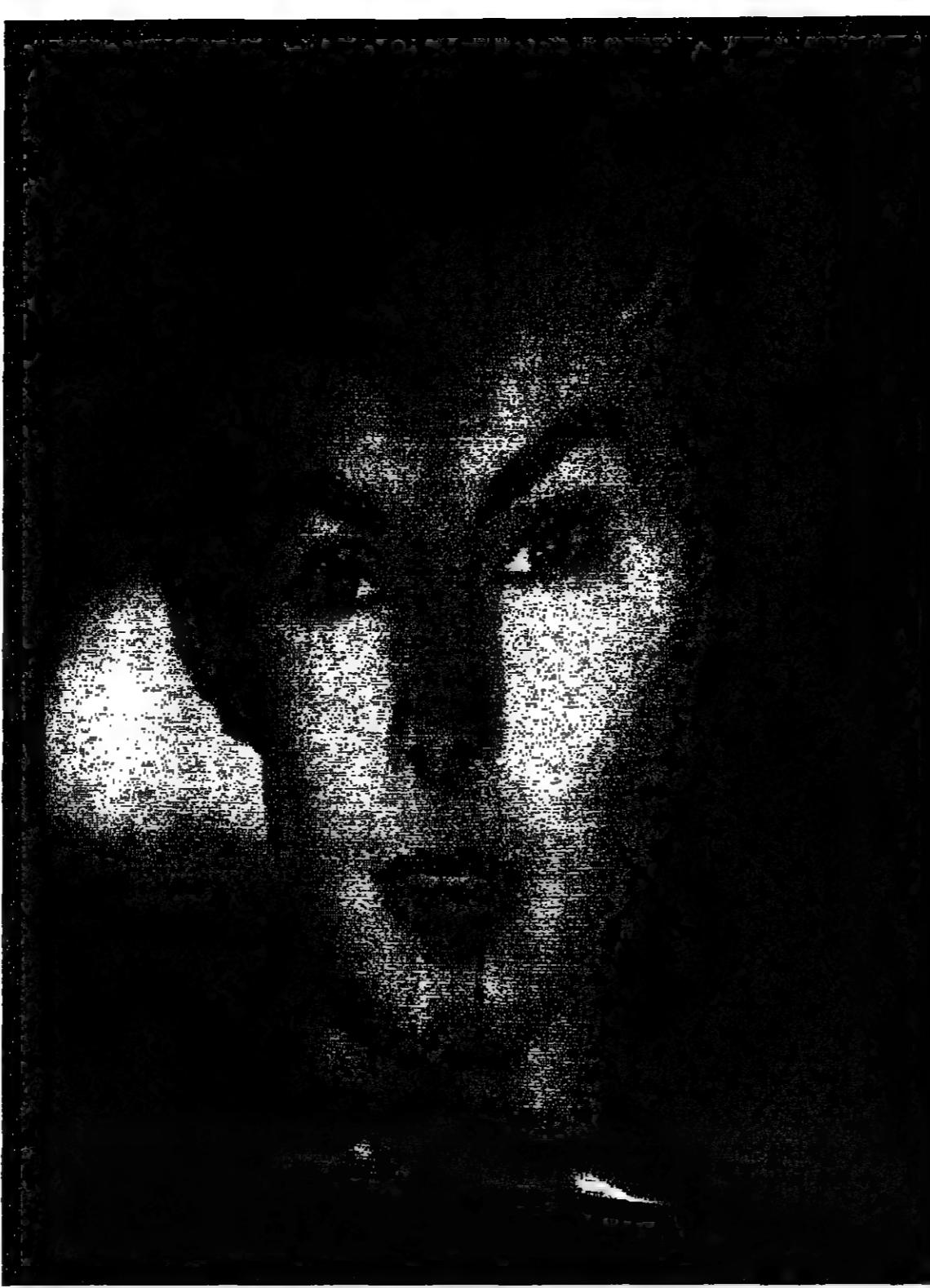
At the far end of the same gallery, Eduardo Paolozzi offers a sculptural installation, a vast tableau-cum-stage-set full of studio oddments, scraps of old sculpture, old models, furniture, packing cases, memorabilia. Pure junk! The disembodied head of the Tin Man from *The Wizard of Oz* dozes in a corner. It is almost a personal scrap-book, an evocation and tribute to a life-long obsession with film, in

all its infinite capacity to fill the imagination with half-familiar, half-forgotten images. Again the connection, the reference, is clear enough.

At the other extreme is Damien Hirst, who has made a film, *Hanging Around*, a proper film with a script of sorts and a beginning, a middle and, I assume, an end. And again, being a proper film, albeit only 20 minutes long, it stands or falls as a film. Hirst has always had a gift for narrative, of a macabre, grand guignol sort, and for me the more successful of his works have always been the more truly theatrical, as opposed to merely shocking, in that they introduce an actual element of time - the butterflies living out their natural span; the rotting meat, the maggots, the flies and the fly-killer; the rats rustling in the cage as music and light rise and fall together. For him to move on now into film-direction seems natural, and this is a fair first effort.

In between we have the rest, good, bad and indifferent. Steve McQueen's portentous eight minutes' worth of heaving bosom as white woman and black man drift silently towards each other along a wall, almost but not quite, would be even less compelling than it is were it not screened 20 feet high. On the other hand, the huge screen with which Douglas Gordon greets our entry, *24 Hour Psycho* with Janet Leigh ticking exclusively away in tantalising slow-motion, frame by frame, makes of the portentous a positive virtue, just as it celebrates a true masterpiece of cinema.

Peter Greenaway no doubt considers himself by now a masterpiece of cinema, and his huge self-celebratory installation, *In the Dark*, with its bulging and ear-splitting sound-track and its densely convoluted programme, is at once intensely irritating and off-putting, and rather intriguing, damn it. Real people, "A cast of actors", are sitting in a row of raised glass cabinets, and each day throughout the run of the show, that cast is to be changed - one day "a cast of actors with natural red hair", another "actors who have played a murderer", "actresses who have played Juliet", "a cast of typecast heavies", "actors dressed identically",



Janet Leigh in '24 Hour Psycho', Douglas Gordon's slow-motion tribute to a cinematic masterpiece

and so the long months wear on.

Each day's newspapers are to be set out successively upon glass treaties. And up and down the room on long low tables are set out, one for each day, a set of props appropriate to a particular theme or circumstance in some un-named drama - the setting

becomes a ballroom, the room of a 1950s undergraduate, a casino. Do we take such stuff seriously? Of course.

Then there are Ridley Scott's animation sequences and story-boards for *Alien* and *Blade Runner*, Boyd Webb's animated film of the secret life of an escaped popcorn, Fiona Ban-

ner's canvas covered entirely in her hand-written response to *Apocalypse Now*, and Terry Gilliam's wall of filing cabinets. Go and see for yourself.

Spellbound - Art & Film: Hayward Gallery, South Bank Centre, SE1, until May 6.

Karajan's king-in-waiting quits

As his 'Figaro' is hailed in Zurich, Nikolaus Harnoncourt withdraws from Salzburg. Andrew Clark reports

The big talking point at the Salzburg festival last summer was Nikolaus Harnoncourt's conducting of *Le nozze di Figaro* - slow, perverse and full of pregnant pauses. The current talking point at the Zurich Opera House is Harnoncourt's fresh, coherent interpretation of the same work. But even that has been overshadowed by the news that he has withdrawn from the *Figaro* revival at Salzburg this summer, and is severing all links with the festival.

The announcement has hit the festival management like a bombshell. Harnoncourt was the lynchpin of Gérard Mortier's reforms, the musical symbol of the post-Karajan era. Whatever else went on at the festival, and however much one disputed Harnoncourt's judgment from one work to the next, he offered Salzburg a bedrock of integrity. His *Missa Solemnis* in 1992 and Beethoven symphony cycle in 1994 set new interpretative markers for the festival. Here was a man who could challenge the cosy certainties of Salzburg's past, and curve a fresh identity for the future.

No one gives up Salzburg lightly - least of all the man long regarded as king-in-waiting. Harnoncourt, who is 66, underwent stomach surgery last autumn, and used the lay-off to examine his priorities. He decided that the festival did not match his artistic needs and interests. In his resignation letter, he referred to the lost ideals of "our Salzburg project", saying Mortier had been unable to create a coherent musical programme or clarify the role Harnoncourt should play in it. He said last summer's *La traviata* had "soiled the festival's production policy", and complained that the festival's three auditoria were "acoustically and ideologically" flawed.

Several other factors influenced his decision, notably the way some of his casting wishes were not fulfilled. Harnoncourt insists personal animosities played no part, and that his withdrawal is not a protest. He simply feels uncomfortable with the ethics of a festival where so many compromises are necessary. Unlike the conductors who have been engaged to replace him, Harnoncourt does not need Salzburg for his career. And Salzburg will be a lesser place without him.

A municipal theatre operates on a different premise to a festival - which explains why Harnoncourt is happy to work in Zurich. The Opera House has the ideal space and acoustic for the repertoire he likes to conduct. In his Austrian companion Alexander Perera, he has a theatre manager who

conducts *Aida*. Harnoncourt makes sure there is a reason for everything he does, and no one is left doubting it.

Figaro, the start of a new Mozart cycle in Zurich, offers a fascinating counterpoint to all that went on in Salzburg last summer. Unlike the Chamber Orchestra of Europe, which played Mozart's score like a series of operatic virgins, the Zurich orchestra contributes to the seasoned character of the performance. Tempos are faster and the pauses less disruptive. It is a

quieter reading than the last Zurich production, and all the voices in the orchestra are made to tell. Illness seems to have mellowed Harnoncourt - and yet he still makes us listen to the music as if for the first time. He has the benefit of a much more intelligent staging than in Salzburg. Jürgen Flimm, director of Hamburg's Thalia Theater and now a regular Harnoncourt collaborator, is interested less in social distinctions than in personal relationships. This Almaviva household is one where power is a form of intrigue, where "Voi che sapete" becomes a blatant song of seduction and "Dove sono" an expression of emotional isolation. The recitatives may be dull and the dance routines irritatingly contrived, but Flimm handles the comedy and erotic charge with a refinement rare among German producers.

Erich Wonder's decor captures a mood of fractured realism. Act 1 takes place in a disused ballroom, the buckled floor of which forces everyone to stumble among buckets, paint-pots and ladders. The Countess's marble bedstead, tucked into a corner of the stage, casts an unusually intimate perspective on Act 2 - after which Wonder's imagination gets the better of him. Act 3 is set amid the debris of a derelict patio - complete with mod-

ern deckchairs and umbrellas - and the finale is upstaged by a constantly unfurling backdrop of grubby Spanish landscapes. Florence von Gerkan's costumes follow the same path as Wonder's sets, in their attempt to capture the style of the period through a modern filter.

The youthful homogeneity of the cast makes this *Figaro* an unusually true-to-life theatre of emotions. Despite an occasional shortage of power, Rodney Gilfry's Count is a sympathetic portrait of a man outmanoeuvred from the start - not so much philandering tyrant as victim of wounded pride. Thanks to his aristocratic carriage and confident singing, this is one of Gilfry's most convincing roles. As Figaro and Susanna, Carlos Chausson and Isabel Rey give respectable performances, without developing distinctive personalities. Lillian Nichiteanu is the plump, pubescent Cherubino, Eve Mei an overparted Countess. Whatever its weaknesses, the Zurich *Figaro* keeps the audience guessing until the end - and leaves it plenty to ponder afterwards.

Further performances: March 8, 10, 17, 29 and 31. Nikolai Harnoncourt conducts the Vienna Concertus Musici at London's Barbican Centre on Monday.

his penis defiantly. Under such pressure, Daniel consents to smoke again. Pintilje shoots Takic anyway.

But Daniel finds that his daughter has died. He is convinced that she died because he took up smoking again. No, Cathy informs him, she died several days earlier. Daniel is now so nuts that he cannot leave the Balkans. In the final scene he is back with the old man (et al), who convinces him by telling him that a slice of cake is "all created being".

The *End of the Earth* is, in part, about a Romantic dichotomy between civilised British society and the beautiful, but perilous, wildness of the Balkans. But that theme, like everything else, is expressed with unutterable banality. Even though Daniel is, in fact, a geologist, his direction keeps things busy but baffling. Pathetically stuck in the role of Daniel and Cathy are poor Michael Sheen and Samantha Bond, fine actors who deserve rescuing from this quagmire.

National Theatre, SE1.

Theatre / Alastair Macaulay

The Ends of the Earth

ute in the opening scene they are beside themselves with happiness - whenever they forget their daughter or each other, that is. But then a mysterious Balkan offers to take Daniel up into the mountains to consult a wise old man to cure the pain in your heart!

Sometimes it becomes a play about Daniel's conscience. And the mysterious Balkan, called Takic, even gets Daniel to say that he loves him. But Takic then also gets Daniel to give him his watch, his shirt, his money, whereupon he leaves Daniel there. Eventually, however, Daniel does find the old man, who is about 50. "Help me, I'm bad, I'm so bad," says Daniel. The old man replies: "The only sin is to believe hap-

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There have been worse plays than *The Ends of the Earth*, the new play by David Lan that has just joined National Theatre repertory. There must have been. But that is not how I feel, only minutes after escaping its premiere. Just now, it has effaced my memory of every other terrible play I have ever seen.

On wet Monday mornings in Hell they punish those who in their lifetimes disliked *Top Hat* or *Annie Get Your Gun* by making them watch *The Ends of the Earth* a second time. I am overreaching, of course, still, I suspect the even worse I have regard for nothing thought up to still find *The Ends of the Earth* to have been irritating and dull, silly and grandiose, old-fashioned and obscure.

The plot, Daniel Croft, a geologist, is having a nervous breakdown. A married man with a baby daughter who is dangerously ill, back in England. Daniel is an obsessive masturbator and cigarette-smoker. He and his wife Cathy are - natch - "somewhere in the Balkans". Every other min-

utes has gone for ever... After summer, autumn. But after winter, spring... it's the wisdom of the mountains, the streams?" Then he asks Daniel to give up smoking. Daniel consents to smoke again. Pintilje shoots Takic anyway.

But Daniel finds that his daughter has died. He is convinced that she died because he took up smoking again. No, Cathy informs him, she died several days earlier. Daniel is now so nuts that he cannot leave the Balkans. In the final scene he is back with the old man (et al), who convinces him by telling him that a slice of cake is "all created being".

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National Theatre, SE1.

Rock rebels bite back

Robbie Williams was always the bad boy in *Take That*, albeit the type of cheeky charming bad boy that teenage girls fall for; but this week he paid a high price for his bad behaviour.

Williams, 22, who left Take

That last summer, was due to appear in the High Court on Monday for the first day of his case against RCA, the boy band's record label. He was suing the company to try to sever a contract that compelled him to remain signed to the label as a solo artist.

Megastars have virtually complete control in both areas. Warner has given Madonna her own label, Maverick. George Michael's agreement with Virgin and DreamWorks is so loose that he was allowed to refuse to give media interviews to promote his single, *Jesus 79/A Child*, even though it was his first commercial release in three years. "I like George and I respect him," says David Geffen, co-founder of DreamWorks. "If he's happier not giving interviews, that's fine with me."

Sometimes the level of freedom given to an artist backfires on them and their labels. Even the most sycophantic Sony executive must have realised that Michael Jackson's decision to pose as a Christ-like figure healing stricken children at last week's Brit awards was ill-advised in the

Record companies called the shots but now the balance of power is in favour of the artists

wake of the child sex abuse allegations made against him. But Sony failed to stop him. Jarvis Cocker, Pulp's lead singer, has since been praised by the press (and dubbed "Sir Jarvis") by New Musical Express for drunkenly clambering on stage in protest.

Similarly Warner must rue the day it signed a \$100m deal with the artist then called Prince, who changed his name to an unpronounceable symbol and recently threatened to deliver a huge quantity of recordings of dubious quality to the company claiming this will fulfil his contractual obligations.

New acts can now insist on a degree of autonomy which would have been unthinkable ten years ago. The multinationals that dominate the industry have launched small, independent-style labels for new acts. Blur records for Food, an EMI subsidiary, and the Bluetones for Superior Quality Recordings, part of PolyGram. Virgin is setting up a special new label for Placebo, a band it has just signed.

But as Robbie Williams discovered, record companies have rights too. Take That's deal enabled him to start legal proceedings against RCA and to threaten to block the release of the band's *Greatest Hits* album by refusing to approve the artwork, but he was still bound by the contract's terms.

It is now up to Williams to patch up his differences with RCA. The devotion of the teenage girls, who waited fruitlessly for his arrival at the High Court on Monday - one of whom had travelled all the way from Italy and even changed her name by deed poll to Williams - might then swing the balance of power back in his favour.

Alice Rawsthorn

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ROYAL FESTIVAL HALL	abc
Sun City of Birmingham Symphony Orchestra	Tel: 0171-926 4206, 10am-6pm
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4 Mar The Beach Boys	Concert Hall, Royal Festival Hall, London SW1E 8JL
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3 Apr The Beach Boys	Concert Hall, Royal Festival Hall, London SW1E 8JL
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5 Apr The Beach Boys	Concert Hall,

ARTS

Records/David Murray

The art of touching the keyboard

There is a whole repertoire of music which sounds wonderful on the piano, without amounting to much in any other respect; but there are fewer and fewer pianists who can do justice to it - who know how to draw from the piano those tingling resonances, those shameless thrills that justify virtuous trivias.

There are even Liszt "specialists" these days who concern themselves with his dark, scrawny later works, but cannot make a Hungarian Rhapsody snap and crackle. Many modern pianists think the range of pure piano-stuff that Bolet and Cherkassky used to embrace is unworthy of their attention; their touch suffers by that neglect more than they realise. For it is not a matter of mere speed and power, which can be practised up; it is much more a business of delicate balances, of exact appreciation of the different registers of the instrument; of the precise placing of sounds. Some of Bolet's most brilliant encores were pieces that would not tax a ninth-grade student.

Still, piano addicts are not quite bereft, as a few recent CDs by younger-generation pianists demonstrate. Marc-André Hamelin, who has already recorded extraordinary performances of Alkan's fearsome Concerto for solo piano and his *Grande Sonate*, has added a pendant in the form of the two earlier, less strenuous Concerti da Camera (Hyperion CDA66717), with Martyn Brabbins and the BBC Scottish Symphony, just as immaculately played.

On the same disc are two works by the forgotten pianist-composer Henselt, who was born a year after Alkan and likewise died the year after him. His F minor concerto, like his "Variations de concert" on a Meyerbeer air, revels spectacularly in what the instrument can do, as does Hamelin. Do not expect any musical revelations (you can guess in advance how: kindest, sweetest and every harmonic sequence will proceed); but the pianism is joyous.

The young Swedish pianist Lone Darwinger shows astonishing maturity and clean command in a much later Romantic concerto, Max Reger's very

grand one (op. 114, also in F minor; on BIS-CD-711, with the *Suite im alten Stil*). Though its specific proportions, and even the characters of its three movements, plainly echo Brahms' D minor concerto, Reger's relentless chromaticism might seem clotted and indigestible. With Derwinger's ringing assurance and noble incisiveness, however, and with Leif Segerstam's judicious conducting of the Norrköping Symphony, it compels respect.

Piers Lane is among the few British pianists who cultivate the old-fashioned virtuoso territory. There are many delights to be had from his Hyperion recording (CDA66705) of fantastical Johann Strauss transcriptions, by Schulz-Evler (his notorious "Arabesques" on the Blue Danube waltz), by Friedman, Tausig and Rosenthal - and the master of them all, Leopold Godowsky, whose *Fledermaus* fantasy often contrives to run two or three famous tunes in improbable tandem whilst mad figuration proliferates all over the keyboard.

Just occasionally, Lane betrays the sheer effort required, and the fact that he is not Viennese (rhetorical delays on upbeat are unidiomatic, and sound ponderous); but he has the authentic ping and pounce, and sparkles to perfection in the treble.

The once popular music of the Cuban Ernesto Lecuona (1886-1963) is re-emerging on BIS discs, in the utterly idiomatic hands of Thomas Tirino. No really sensational virtuosity is demanded, but anything less than full-hearted commitment would sound like slumming. On Vol. 1 (BIS-CD-754), Tirino plays the *Rapsodia Negra* with orchestra, all the *Musica Espanola* (including the evergreen *Malagueta*) and much else besides with complete, unabashed conviction. Uncomplicated pleasures, but genuine.

Something much more gently refined, and a century older, comes on an American import (*Arabesque* Z6666). Sarah Rothenberg performs many, re-creates - *Das Jahr*, "The Year", a musical calendar by Mendelssohn's beloved sister Fanny. She composed it

so typical of the people in television. Having ridden the feminist bandwagon for years, decades even, they feel a twinge of guilt about having overstated the case and so, all of a sudden, start making programmes about men.

But whose attitudes do these programmes convey? Of course, the feminists! You can scarcely switch on television at present without finding a programme with a masculine word in the title: *A Man's World*, *Assault On The Male*, *A Bad Time To Be A Man*, *The Male Survival Guide* and so on. And what is the BBC's umbrella title for its season? *The Trouble With Men*. Imagine a season called *The Trouble With Women*: they would all be hauled in front of tribunals.

The whole thing got off to a confused and confusing start with *Why Men Die Younger* on BBC2 last Sunday. In an attempt to prove that what really counts is nurture, not nature, this showed an experiment in which the same baby was dressed in boys' clothes and then girls' clothes and presented to two different women.

Sure enough, the women treated the child differently. But all that proves is that different women behave differently. Male logic would suggest having one mother and two babies, one a boy and the other a girl, then you would see whether there was a significant change in nurture.

Television/Christopher Dunkley

Men adrift in a sea of oestrogens

The same programme told us that during the World Cup final between Italy and Brazil the testosterone level of the Brazilian fans rose whereas that of the Italian fans fell, and yet it was the Italians who rioted afterwards, suggesting that low testosterone levels can mean violence.

Perhaps this survey was carried out by the same people who proved that grasshoppers hear with their legs: they brought down a book with an almighty bang behind the grasshoppers and all of them jumped, yet stayed quite still through an equally loud noise once their legs had been cut off. The soccer survey failed to point out that the Brazilians won the match and the Italians lost. It also failed to say whether the investigators were men or women.

There seem to be questionable assertions everywhere. In *A Man's World* which begins on BBC2 on Wednesday evening we are shown a classroom in the early part of the 20th century and the voice of God on the soundtrack states "Rote learning and rigid discipline

squashed any imagination or individuality". Really? In Winston Churchill for instance? He was subjected to plenty of both. And Dennis Potter - no imagination? It is, of course, much more tempting but also more questionable to say "A man's sense of himself comes through work", as Tony Parsons does in his television essay "Equal But Different" in *Without Walls* on Channel 4 on Tuesday, than to say "Some men's sense of themselves comes through work amongst other things".

Amid this sudden upsurge of male interest there are programmes worth watching. Despite the patronisingly matey tone of the commentary BBC2's *Male Survival Guide* on testicular cancer, prostate problems and so on, is probably very valuable to many men who never discuss such matters. Television can be a remarkably intimate and comforting medium, bringing enlightenment and relief where entire families and groups of friends do not - always assuming you can bear to watch, of course.

And *A Man's World* with its archive films and photographs,

and its interviews with men who grew up in the early years of the 20th century, looks like being as engrossing as the previous series in this style (*A Secret World Of Sex*, *Forbidden Britain* and so on) made by Steve Humphries. The accompanying book is fascinating (*A Man's World* by Steve Humphries and Pamela Gordon; BBC Publications, £12.99). The contrast between the outspokenness of many of the programmes in this sudden surge and the dreadful furtiveness regarding anything emotional or sexual so vividly described in *A Man's World* is startling.

Of course the question arises whether, within a generation or so, there will be many men around to worry about these matters. According to an exceptionally ominous edition of *Horizon* last week, sperm counts are falling even faster than the rates of testicular cancer and undescended testes are rising.

The reason according to this programme, is almost certainly that we now live in a virtual sea of oestrogens. They exist in plastics, detergents, and crop sprays. To alter this you would have to alter the whole modern world. We may already have accepted a Faustian bargain: fast cars and plastics at a cost of plummeting sperm counts.

It makes a change from all those scare programmes about the population explosion.

Radio/Martin Hoyle

Music as the food of thought

According to Radio 4's *Science Now* there is a theory drifting around that students who listen to classical music are brighter than those who listen to pop, noticeable in the short, indeed immediate, term. Accordingly experiments are to be carried out with schoolchildren, setting them some academic task after exposing half to ten minutes of Radio 1 and half to the same dose of Radio 3. This presupposes that their invigilators will be able to tell the difference.

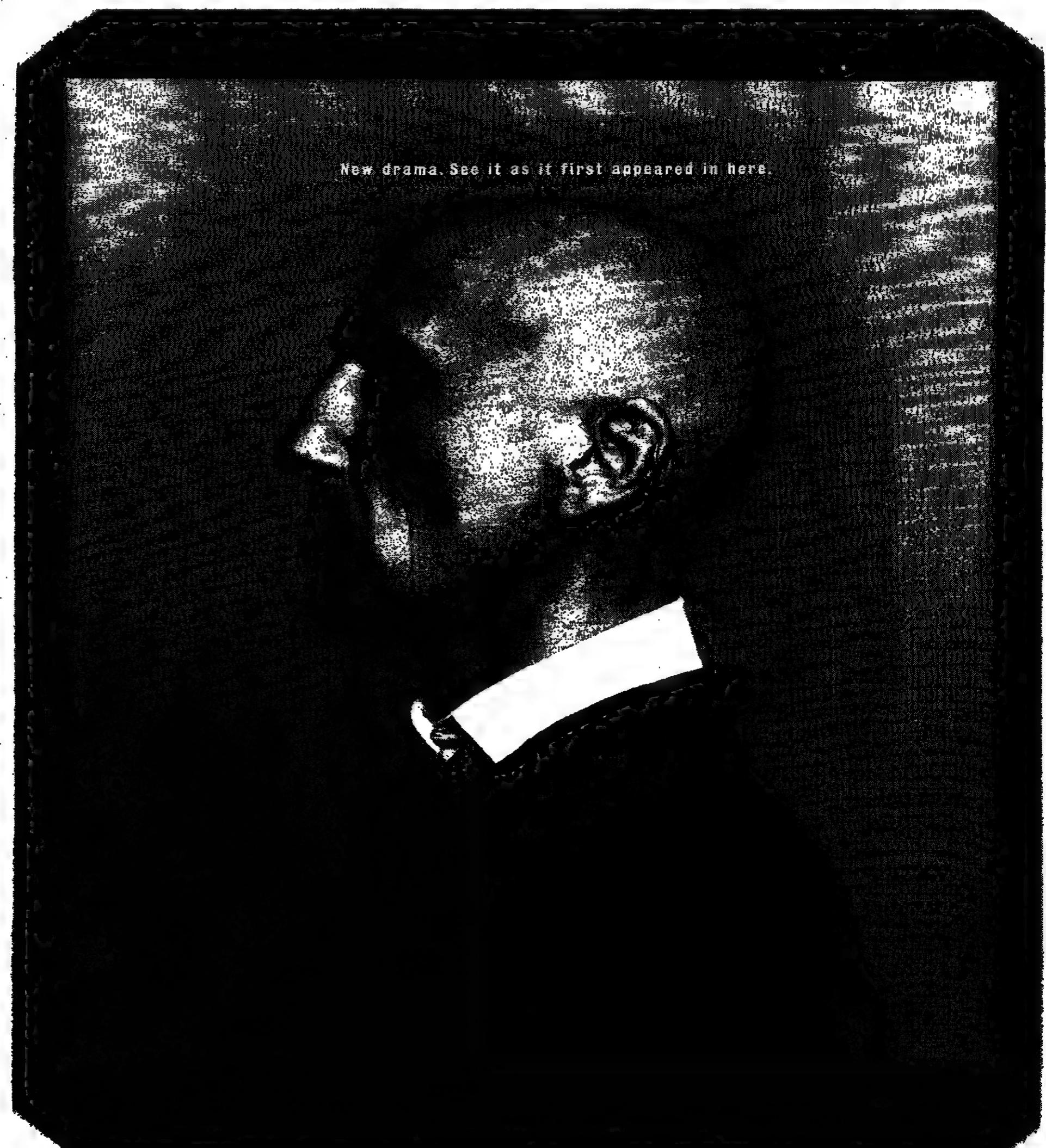
Perhaps those with - for want of a better phrase - cultured backgrounds might be brighter (more articulate or with a wider range of reference or whatever) than the others. The danger of isolating cerebral function from a social context was illustrated this week by Jean Attchison, this year's Reith lecturer. *A Web of Words* skins the surface of other disciplines without really giving them due. Thus, a characteristic Freudian theory about a subconscious slip was dismissed as "fanciful", though shallower slips are allowed; and it seemed not to occur to her that the reasons we chase a football but pursue a target might be because metaphor, and the presumably thinking class that coins it, often demands a more formal turn of phrase.

Sporadically interesting, strenuously self-ingratiating, with snatches of *Blackadder* and Tom Lehrer, but the speaker is not above setting up false idols the more easily to knock them down. She failed to reveal that the distinguished Victorian intellectual she whimsically quoted at the beginning of this week's lecture is best remembered as the author of *Epic*, or *Little by Little*. A sitting, unpursued, tar-

get. The differences between the radio channels came to mind last weekend with a 90-minute play about pop-singer Sam Cooke ("Wonderful World", "Rockin' the Night Away") on Saturday and, on Sunday, the

Creative thought deserves powerful communication. Right now, AT&T is working with three of London's leading theatre companies to bring plays to the stage that are every bit as fresh, innovative and challenging as their creators intended them to be. They are: Naomi Wallace's "Slaughter City" by the Royal Shakespeare Company in the Pit, "1868" by Craig Raine at the Almeida Theatre and "The Ends of the Earth" by David Lan at the Royal National Theatre in the Cottesloe. We're proud to be involved and we wish them every success.

New drama. See it as it first appeared in here.



COLLECTING

Maastricht's transformation

Susan Moore looks at the way Europe's pre-eminent fine art fair has developed

Gambiers dream of devising an infallible system. If there is such a thing as a winning formula for a fine art and antiques fair, the European Fine Art Foundation could be forgiven for believing it has found it. Its flagship event, the European Fine Art Fair at Maastricht in the Netherlands, March 9-17 this year, has been transformed during the last eight years into the pre-eminent European fair, and arguably the one truly international art and antiques extravaganza.

Last year, almost three-quarters of the exhibitors were non-Dutch - this year the percentage is slightly higher, with 160 participants representing a dozen countries. Moreover, 38 per cent of visitors to the 1995 private view came from abroad.

Such is the foundation's confidence in its formula that last year it launched a second fair, in Basle, aimed at a central and southern European audience. In spite of modest attendance figures - 12,500 (Maastricht last year attracted 52,000) - the Tefaf board is exploring the possibilities of an American edition.

Fairs are an expensive and risky way for dealers to do business but,

Of the leading founder members

as Ben Janssens of The Oriental Art Gallery put it: "We feel there are not enough people coming to the shop. Exhibiting at fairs is the only way of renewing our client-base."

Maastricht's success is due in large part to the tireless efforts of its board of exhibiting dealers to improve and refine. Without doubt, the fair is more diverse and more international than it was a decade ago, and standards have been raised across the board.

The Maastricht of the 1980s was confined to three sections: paintings, works of art and textiles. Now it embraces drawings and prints, antiquities, books, manuscripts, maps and "la haute joaillerie du monde". This year fine wines have been introduced. But these attempts to be all things to all men have their drawbacks. Maastricht is a less familiar, coherent and cosy fair.

It is even a shadow of its former self, in one respect. A decade ago one was guaranteed an impressive selection of the finest carpets, tapestries and other textiles available. This year there is no John Eskenazi, of Milan and London, and no Textile Gallery of London - both closing a show at the new International Asian Art Fair in New York later in the month.

Of the leading founder members

of "Textura" only Bernard Blondel remains, offering among other things a typically spectacular suite of four Flemish "pergolas" tapestries of around 1600. Woven with pots and swags of flowers within arcades or pergolas, and with landscape vistas beyond, such sets of tapestries were conceived for indoor winter gardens. Price tag: Fl 1m.

Maastricht would do well to continue to broaden and improve its core sections rather than keep tentatively branching out. To this end, it is good to see the French furniture dealers back in force, and the London Furniture dealers Mallett and the Palham Gallery. The new blood offers a welcome antidote to ponderously gloomy Dutch, Flemish and German furniture.

The works of art section is also enhanced by the arrival of Blumka and Trinity Fine Art, and dealers of the calibre of Gisèle Croës returning with such rarities as a set of eight Tang dynasty mural paintings of court ladies.

The range of the picture section, the backbone of the fair and its biggest international crowd-puller, has similarly broadened, with dealers such as Huguet Beris showing French 19th century works rather than the ubiquitous Dutch Romantics.

This year's signing up of French & Co, one of the largest and certainly most expensive of the New York Old Master dealers - Manhattan's answer to Richard Green - is considered a real coup, not least because the gallery has never shown at a fair before. Newcomers also include Silvana Lodi of Milan and Clovio Whitfield of London, best known for Italian Old Masters.

Whitfield is exhibiting at Maastricht simply because it is "the best fine art fair around".

Taking a bow is Otto Naumann of New York, whose inaugural show promises to be a real *coup de théâtre*. Naumann is giving Maastricht oil, a rarely seen oval portrait of a young man which can be bought for \$4.8m. He is also exhibiting a number of surprises that "absolutely none of my colleagues have seen".

American exhibitors - and their clients - are needed at Maastricht. What most concerns the Maastricht board, Knight says, is how to encourage a new, more enthusiastic and wealthy audience through its doors... And the most excited audience these days comes from the US." Today, when there is a dearth of high quality works of art on the

market, unfamiliar stock and fresh pairs of eyes are needed.

To suggest something of the range of objects and jewels to tempt them, Jan Dirven of Antwerp, for instance, offers a chased and enamelled copper-gilt Virgin in Majesty of around 1275, with the apostles Peter and Paul depicted on the reverse. Rather late for Limoges perhaps, but a great market rarity. Those with a taste for Frans Hals might visit the Haboldt stand to see the portrait of the clergyman, poet and historian Samuel Ampzing.

Newhouse has an Arcadian wooded river landscape with ruins by Gaspard Dughet and Prinz & Möller a giltwood armchair after a design by Schinkel inspired by Pompeian furniture.

More conspicuous consumers might be dazzled by the pair of late 19th century silver-plated chandeliers with their original gilded glass shades believed to have belonged to the Nizam of Hyderabad, reportedly the richest man in the world (Mallett). Cartier presents a 1930s platinum, ruby and diamond necklace that belonged to Lady Granard, nee Ogden Mills, an American *grande dame* rarely seen without tiara. Said Chips Channon: "Lady Granard could scarcely walk for jewels."



Frans Hals's portrait of the clergyman, poet and historian Samuel Ampzing

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TEFAF MAASTRICHT

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E ven viewed through a sequence of doorways from the top of the National Gallery's main stairs, Velázquez's portrait of Pope Innocent X compels your gaze. Once drawn into the Mond Room and confronting one of the most celebrated portraits in the history of western art, and an image made even more famous this century by Francis Bacon's diabolical transmutations, you face, simply, the most spectacular gallery wall in London.

Until May 18, the gallery hosts a dozen or so masterpieces from the Doria Pamphilj Gallery in Rome, one of the world's finest private art collections and one of the city's

most under-visited museums. In the days when the loans of great pictures are secured only after months or years of diplomacy, the National Gallery found itself not only being offered works from the Rome gallery while it was closed for rewriting but instructed to take the pick of its best.

Only a handful of the Pamphilj treasures have been lent from the collection founded in 1650 by the Pamphilj pope, Innocent X. In his palazzo, Velázquez's portrait has a room to itself. Here, it is

flanked by two other likenesses, a marble bust by Bernini and another Baroque *tour de force*, in bronze and porphyry, by Alessandro Algardi. Velázquez's image is the most unflinching yet even if hardly does justice to the pope's reputation as the ugliest man in Rome. But we do find harshness in an expression likened to "that of a cunning lawyer", and an implicit menace heightened by the artist's masterly orchestration of hot crimson dints. Pigment and canvas are here made flesh and blood.

Holding their own either side of this powerful papal triumvirate are superb early works by Guercino and Caravaggio. Guercino's monolithic tenebrist canvas, illustrating a passage of Tasso, has Ermilia rushing to the battlefield to tend the wounds of her beloved Tauro. It is a work of passion and drama of the days when in Guaracino's own words - the paint bubbled in the pots. Luminous velvet-soft ivories and ochres off-set oily greys and petrol blue. Caravaggio's poetical, idio-

sublime landscape painter and excitable painter of figures.

It is an odd irony that the pictures can be seen better in the National Gallery than hung high on their own far grander walls, and a compliment to the London gallery that they are here (a circumstance perhaps partly explained by the Principessa Doria Pamphilj having married an Englishman and educated their son there). But the vitality and patina of her family pictures also serve as a reproach. Cleaning paintings is not inevitably for the better.

S.M.

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What's on in the principal cities

AMSTERDAM

CONCERT

Concertgebouw Tel: 31-20-5730573
 ● Jard van Nes: accompanied by pianist Gérard van Blenk. The mezzo-soprano performs songs by R. Strauss, Anshik, Zemlinsky and Tchaikovsky; 8.15pm; Mar 5
 ● Valery Afanassiov, Gidon Kremer and Mischa Maisky: the pianist, violinist and cellist perform Shostakovich's Piano Trio No 1, Violin Sonata, Cello Sonata and Piano Trio No 2; 8.15pm; Mar 3.
 ● Tatiana Shebanova: the pianist performs works by Chopin, Rachmaninov, Prokofiev and Debussy; 8.15pm; Mar 8
 OPERA
 Het Muziektheater Tel: 31-20-5618117
 ● L'incoronazione di Poppaea: by Monteverdi. Conducted by Christophe Rousset and performed by De Nederlandse Opera. Soloists include Cynthia Hayman, Brigitte Balleys and Ning Liang; 7pm; Mar 5, 9, 12, 14

BALTIMORE

CONCERT

Joseph Meyerhoff Symphony Hall Tel: 1-410-783-8000
 ● Baltimore Symphony Orchestra: with conductor Hans vonk and violinist Herbert Greenberg perform Prokofiev's Violin Concerto No.2 and Beethoven's Symphony No.2; 8.15pm; Mar 8, 9

BERGEN

CONCERT

Grieghallen Tel: 47-55-216150
 ● Bergen Filharmoniske Orkester: with conductor Serge Baudo and pianist Jean-Yves Thibaudet perform works by Smetana, Rachmaninov, Ravel and Janácek; 7.30pm; Mar 7

BASEL

EXHIBITION

Kunstmuseum Basel Tel: 41-61-2710228
 ● Pablo Picasso: Die illustrierten Bücher: exhibition of illustrated books that Picasso created throughout his career. The exhibits come from a private collection and from that of the Hanspeter Schutthaus-Oeri Stiftung in the Kupferstichkabinett in Basel; to Mar 10

BERLIN

CONCERT

Konzerthaus Tel: 49-30-203092100-01
 ● Symphony No.9: by Mahler. Performed by the Sinfonieorchester des Mitteldeutschen Rundfunks with conductor Daniel Nezareti; 8pm; Mar 4

OPERA

Deutsche Oper Berlin Tel: 49-30-3438401
 ● Andra Chéhier: by Glorioso. Conducted by Rafael Frühbeck de Burgos and performed by the Deutsche Oper Berlin. Soloists include Giorgio Menighi and Elena Filippova; 7.30pm; Mar 5, 15
 ● Elektra: by R. Strauss. Conducted by Jiri Kout and performed by the Deutsche Oper Berlin. Soloists include Leonie Rysanek, Gwyneth Jones, Karen Hultsdotter, Peter Gougrafoff and Gerd Falchhoff; 8pm; Mar 6, 9 (7pm)
 Komische Oper Tel: 49-30-202600
 ● Falstaff: by Verdi. Conducted by Yakov Kreizberg and performed by the Komische Oper. Soloists include Passow, Korondi, Baniewicz, Braun and Heldemann; 7pm; Mar 15
 Staatsoper Unter den Linden Tel: 49-30-2028261
 ● Tancredi: by Rossini. Conducted by Fabio Luisi and performed by the Staatsoper Unter den Linden. Soloists include Jeffrey Francis and Jochen Kowalski; 7pm; Mar 4, 7

BOSTON

CONCERT

Boston Symphony Hall Tel: 1-617-266-1492
 ● Boston Symphony Orchestra: with conductor Riccardo Chailly and cellist Lynn Harrell perform works by Ives and Stravinsky; 8pm; Mar 7, 8 (1.30pm), 9, 12 (7.30pm)

CHICAGO

CONCERT

Orchestra Hall Tel: 1-312-435-8666
 ● Chicago Symphony Orchestra: with conductor Riccardo Chailly and cellist Lynn Harrell perform works by Ives and Stravinsky; 8pm; Mar 7, 8 (1.30pm), 9, 12 (7.30pm)

COLOGNE

CONCERT

Kölner Philharmonie Tel: 49-221-2040820
 ● Andreas Schiff: the pianist performs works by Bartók and Haydn; 8pm; Mar 6
 ● Barbara Hendricks: accompanied by pianist Stefan Scheja. The soprano performs songs by Schubert, Wolf, Poulenc and Schoenberg; 8pm; Mar 3
 OPERA
 Opernhaus Tel: 49-221-2218240
 ● Die Zauberflöte: by Mozart. Conducted by Georg Fischer and performed by the Oper Köln. Soloists include La Pierre, Hartmann, Lascaro, Collis and Fink; 7.30pm; Mar 7

COPENHAGEN

OPERA

Det Kongelige Teater Tel: 45-33 14 16 02
 ● Die Entführung aus dem Serail: by

INTERNATIONAL ARTS GUIDE



Anne-Sofie von Otter, singing in Paris and Lyon

Mozart. Conducted by Andrew Greenwood and performed by the Royal Danish Opera. Soloists include Lena Nordahl, Djina Mai-Mai and John Laursen; 8pm; Mar 8, 14

DRESDEN

CONCERT

Sächsische Staatsoper Dresden Tel: 49-351-49110
 ● Sächsische Staatskapelle: with conductor Bernard Haitink and pianist András Schiff perform Beethoven's Piano Concerto No.4 in G major and Shostakovich's Symphony No.5 in D minor; 8pm; Mar 9

DUSSELDORF

CONCERT

Tonhalle Düsseldorf Tel: 49-211-8992081
 ● Bolshoi Symphony Orchestra Moscow: with conductor Alexander Lazarev and cellist Alexander Rudin perform works by Molosov, Dvořák and Tchaikovsky; 8pm; Mar 8

EDINBURGH

CONCERT

Edinburgh Festival Theatre Tel: 44-131-5298000
 ● The Official Tribute to The Blues Brothers: a homage to the music of Jake and Elwood Blues, starring Brad Henshaw and Simon Foster; 8pm; Mar 5, 6, 7, 8, 9 (8pm & 8pm)

ESSEN

EXHIBITION

Museum Folkwang Tel: 49-201-8845314
 ● In Sichtweite: this exhibition focuses on the contrasts and similarities in the work of the contemporary German painters Birgit Luxemburg and Dorothee Rocke; from Mar 7 to Apr 14

FLORENCE

CONCERT

Teatro Comunale Tel: 39-55-211158
 ● Orchestra del Maggio Musicale Fiorentino: with conductor Lawrence Foster and pianist Emanuel Ax perform Brahms' Piano Concerto No.2 and Shostakovich's Symphony No.1; 8pm; Mar 8, 9, 10 (3.30pm)

FRANKFURT AM MAIN

EXHIBITION

Schirn Kunsthalle Tel: 49-69-299820
 ● Prospect 96: exhibition devoted to photography and its role in modern art. The display includes works by John Baldessari, Lewis Baltz, Gilbert & George, John Hilliard, Cindy Sherman, Jeff Wall, Boyd Webb and many other -- mostly young -- artists; from Mar 8 to May 12

GHEENT

CONCERT

De Vlaamse Opera Tel: 32-9-2331881
 ● La Forza del Destino: by Verdi. Concert performance by De Vlaamse Opera, conducted by Daniel Lipton. Soloists include Henk van Mheen and Soya Smolyanova; 8pm; Mar 8, 9, 10 (3pm), 12, 14

GLASGOW

CONCERT

Glasgow Royal Concert Hall Tel: 44-141-3326533
 ● Messa da Requiem: by Verdi. Conducted by Christopher Bell and performed by the Scottish Opera Schools Chorus. Soloists include Elizabeth Hetherington and Frances McCafferty; 7.30pm; Mar 5

GOTHENBURG

DANCE

Göteborgs Operan Tel: 46-31-108000
 ● Eva world premiere of a choreography by Robert North to music by Howard Blake, performed by the Gothenburg Ballet. Soloists include Darren Parish, Tim Lilequist, Michiyo Hayashi, Ersin Aycan, Sheri Cook and Mia Johansson; 7.30pm; Mar 8

HAMBURG

OPERA

Hamburgische Staatsoper Tel: 49-40-351721
 ● Elektra: by R. Strauss. Conducted by Simone Young and performed by the Hamburg Oper. Soloists include Leonie Rysanek, Janis Martin, Inga Nielsen, Franz Grundheber and Horst Stan Paul Keating as Elektra; 7.30pm; Mar 7

COPENHAGEN

OPERA

Det Kongelige Teater Tel: 45-33 14 16 02
 ● Die Entführung aus dem Serail: by

Kim Wilde, Alastair Robins and Ian Bartholomew; 8pm, Wed, Sat also 3pm; from Mar 5 (Not Sun)

OPERA

London Coliseum Tel: 44-171-8360111

● Don Pasquale: by Donizetti. Conducted by Michael Lloyd and performed by the English National Opera. Soloists include Donald Adams, Neil Archer, Alan Opie and Mary Hegarty; 7.30pm; Mar 8

LYON

CONCERT

Opéra de Lyon Tel: 33-72 00 45 00

● Anne-Sofie von Otter: accompanied by pianist Malcolm Martineau and violinist Reiner Schmidt. The mezzo-soprano performs works by Grieg, Stenhammar, Rangström, Blomdahl, Loeffler, Brahms and R. Strauss; 8.30pm; Mar 6

MAASTRICHT

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● The European Fine Art Fair: on this annual art and antique fair more than 160 art dealers from Europe, the US and Hong Kong present highlights of their collection, including old master paintings and drawings, oriental art, silver, jewellery, books, manuscripts and maps, tapestries, and modern and contemporary art. Highlights include two paintings by Van Gogh, portraits by Rembrandt, Rubens and Frans Hals, Rodin's "Printemps Eternel" and works by Picasso and Matisse; from Mar 9 to Mar 17

LAUSANNE

CONCERT

Théâtre de Beaulieu Tel: 41-21-6432211

● English Chamber Orchestra: with conductor/violinist Pinhas Zukerman perform works by Rossini, Mendelssohn and Beethoven; 8.15pm; Mar 4

OPERA

Théâtre de Beaulieu Tel: 41-21-6432211

● Opéra de Lausanne: and the Orchestre de la Chambre de Lausanne with conductor Jean Lopez Cobos perform Pergolesi's La Serva Padrona and Rimsky-Korsakov's Mozart et Salle. Soloists include Isabel Moner, Bruno Praticò, Valery Serkin and Sergei Zadornov; 8pm; Mar 3, 5 (8pm), 7 (8pm), 10

LEIPZIG

CONCERT

Gewandhaus zu Leipzig Tel: 49-341-12700

● Gewandhausorchester: with conductor Kurt Masur and viola-player D. Hallmann perform works by Bartók and Bruckner; 8pm; Mar 7, 8

OPERA

Oper Leipzig Tel: 49-341-1261281

● Der Silbersee: by Well. Conducted by Wilder and performed by the Oper Leipzig and the MDR-Kammerphilharmonie. Soloists include Damm, Wangemann, Hoffstedt, Kruij, Sawaley, Petzold and Riemer; 8pm; Mar 7

OPERA

Tannhäuser und der Sängerkrieg auf Wartburg: by Wagner. Conducted by Jiri Kout and performed by the Oper Leipzig and the Gewandhausorchester. Soloists include Bertha, Watson, Dick, Olsen, Neumann, Choi and Scholz; 8pm; Mar 3, 5, 8, 10 (8pm), 12, 14, 16

LISBON

CONCERT

Grande Auditório da Fundação Gulbenkian Tel: 351-1-7935131

● Orfeo: by Berlioni. Concert performance by the Orquestra Gulbenkian, conducted by Claudio Scimone. Soloists include soprano Cecília Gasdia and mezzo-soprano Jennifer Lamore; 9.30pm; Mar 7, 8 (6.30pm)

LONDON

CONCERT

Barbican Hall Tel: 44-171-6388891

● Die Schöpfung: by Haydn. Conducted by Harry Christophers and performed by the City of London Sinfonia. Soloists include soprano Lynda Russell, tenor Thomas Randle and bass Michael George; 7.30pm; Mar 7

OPERA

London Coliseum Tel: 44-171-8360111

● Elektra: by Verdi. Conducted by James Levine and performed by the Metropolitan Opera. Soloists include Sharon Sweet, Plácido Domingo and Vladimir Chernov; 8pm; Mar 8, 12, 16 (7pm)

NEW YORK

CONCERT

Avery Fisher Hall Tel: 43-21-51444296

● La Traviata: by Verdi. Conducted by Stefan Soltész and performed by the Wiener Staatsoper. Soloists include Nancy Gustafson, Giuseppe Sabatini and Dmitri Hvorostovsky; 7.30pm; Mar 4, 8, 12 (2.30pm)

PARIS

CONCERT

Maison de Radio France Tel: 33-42 30 22 22

● Orchestre Philharmonique de Radio France: with conductor Marek Janowski and cellist Nadine Pieरre perform Dutilleux's Symphony No.1, Tout un monde lointain, Les Citations and Mystère de l'instant; 8pm; Mar 9



James Morgan

The followers of Crackpot Marketing

Those who sell weapons provide goodies for gangsters and lose stupendous sums in the process

The eternal British preoccupation with the flood of domestic sensation tests the patience of outsiders. For them, the Scott report, "arms-for-day", etc resemble the other great British institution, the drawn game.

In cricket, a test match between say England and Australia, may last five days and end without a result even though one side enjoys an overwhelming advantage. The interest is in the team that has saved itself from humiliation. Salvation can come in the form of a gallant performance by a single participant, or by the rain which

brings it all to an early end.

The Scott debate shares many elements with the national summer game. A government saved by a single voter, the ambiguity of Scott's conclusion; the subtleties of the double negative, which deceive the eye; the judge's controversial decisions and a near-obsessive concentration on detail which keeps commentators and spectators amused even when nothing is happening. It is all too much and so it slipped quickly from foreign news pages into the world.

In this excitement one loses sight of the main point. And the main point of the Scott report remains

the arms trade. The British government prided itself on not having behaved like the unscrupulous French. It had not sold to Saddam Hussein every lethal instrument in its armoury. Some may say that honourable Gaulic unscrupulousness is preferable to perfidious Anglo-Saxon distinctions between equipment and weaponry. But again this is not the point.

The point is that there was a fear that Britain could "lose market share". Iraq had to be allowed to buy something to avoid such a catastrophe. But, as is now known, Saddam Hussein got his goods next to nothing. The British lost

\$550m in unpaid export credits. The more goods sold, the more jobs "saved", the greater the market share, the greater the final losses.

The unscrupulous French had, by 1989, when the last "rescheduling"

had taken place, lost three times as

much as the scoundrel British on arms alone.

Only in this trade do socialist economies live on. Only here is it believed that there are huge national benefits to be derived from the subsidised mass production of goods on a scale that runs far beyond natural demand.

The theory in most countries is

dominated by the views of the former trade minister (and distrist and ladies' man) Alan Clark. A friend of his put it this way in *The Spectator* last week: as minister he wanted to sell weapons to the "towheads", otherwise they would "only buy from the Frogs and Krauts".

It is 40 years since the American sociologist C. Wright Mills coined the term Crackpot Realists. They were the defence planners of his day who later created the Vietnam war out of nothing. Today they are to be found among politicians and journalists who cur their lips at those who wonder if one should really be selling weapons which, if used, will inevitably defend govern-

ments from their own people rather than foreign invasion, and will ensure the deaths of huge civilians for every soldier. Those who despise such sentimentality provide goodies for gangsters and lose stupendous sums in the process.

The Crackpot College of Marketing is founded on the belief that the world's worst customers provide the best foundation for long-term business. It regularly organises huge celebrations when someone has been successfully bribed into acquiring goods for which he has no intention of paying.

It is an interesting thought that the losses that arose from sales of

weapons to Iraq or Argentine generals could have been avoided by giving every worker in the relevant industries £5,000 and 10 weeks' extra holiday.

Thanks to the realists, armaments remain the one item of international trade in which no normal commercial rules apply. Thanks to them, even the most basic analysis of cost and benefit is ignored. Thanks to them the world still subsidises guns while creating rules against subsidising butter.

■ James Morgan is economics corre-

spondent of the BBC World Ser-

vice
really don't know, because I've never experienced anti-Semitism myself. My family wasn't involved in Europe in the second world war. I'm three and half generations South African.

"But I must say I find it difficult to understand how any Jewish person can not find discrimination of this kind abhorrent. I know a fair amount about Jewish history, and I suppose yes, it may well have had an influence."

"Why I say I'm doubtful is that I don't have feelings that any other decent human being should not also feel."

Do you think your job here will raise the world's consciousness of human rights?

"I've got no doubt. It's already had that effect. This tribunal has brought about a revolution already. Even if we were to go out of business today we would have had the signal achievement of putting international humanitarian law and human rights on many agendas."

"It's being taught and debated at universities. There are articles in learned magazines about a subject that has been absolutely neglected. And the media. How frequently did one read about it? Now there's hardly a newspaper in the majority of the countries of the world that isn't taking an interest in the law of war."

Was it your ambition to lodge in people's minds the idea that there is a moral dimension to these things, that *reparations* is not the end of the matter?

"Absolutely. Absolutely," he repeated.

Is that why you took the job?

"That's one of the reasons. I realised immediately the tremendous importance for furthering the internationalisation of human rights that this sort of tribunal should succeed."

Goldstone's enthusiasm is unforced, unadorned. To put it more mundanely, will this tribunal actually deter individual people from raping, torturing and killing," he asked.

"Yes," he said firmly.

"There's only one way to stop criminal conduct in any community or in the international community. And that's the fear of detection - and punishment."

Private View

Bloodhound in pursuit of the dogs of war

Christian Tyler meets Richard Goldstone, chief prosecutor of the UN war crimes tribunal

A permanent peace between Serbs, Croats and Moslems in former Yugoslavia may depend less on the 60,000 Nato troops stationed there than on the success of a cool and tenacious South African judge, Richard Goldstone.

Veteran investigator of violence under apartheid, he was chosen by the United Nations to bring to justice the torturers, rapists, mass murderers and other war criminals in the Balkans whose acts will otherwise certainly rekindle the embers of revenge.

"I don't think you can have peace without justice," Goldstone said, speaking in his high-security fastness on the edge of The Hague, near the specially adapted jail at Scheveningen. "At least, not a peace that's going to be enduring."

The chief prosecutor of the war crimes tribunal understands the importance of history in civil war. Every one of his meetings in former Yugoslavia, he said, begins with a history lesson. "If you're lucky it begins with world war two. More frequently it begins with the 14th century. That's because there's never been any accounting."

Could the tribunal really be a substitute for personal revenge?

"That's the whole point. I believe that very strongly."

Even though the scores would be settled far away, and by a long, cumbersome process? "It's not a cure-all," Goldstone admitted. "It's not going to remove all cries for revenge. No system of justice can ever be so perfect as to do that."

"But fundamental to all forms of justice is official acknowledgement of what happened, whether by criminal process or truth commission. These are very important functions which assist people to begin their healing process."

The tribunal, whose remit also covers the genocide in Rwanda, is the first to be set up since the Nuremberg and Tokyo trials after the second world war. This time, however, the maximum sentence will be life imprisonment, not death.

That the tribunal exists at all is due not merely to public outrage at the savagery of the

skra concentration camp in north-west Bosnia.

Only two other suspects are in custody outside The Hague, where 24 cells have been prepared. They are the Bosnian Serb officers General Djordje Djukic and Colonel Alekse Krstjanovic, who were picked up by the Bosnian army on January 30 when they took a wrong turning and were flown to the Netherlands in a Nato aircraft last month.

For Rwanda the tribunal's procedures are the same, and the five appeal judges are shared. Ten men - two of them now in jail in Zambia - have been indicted so far for their part in the massacres of mostly Tutsi people in 1994, when an estimated half million died.

Of the 50 people indicted in the Balkans, 45 are Serbs and seven Croats; and although the tribunal stresses it is not concerned with the race or nationality of the victims, the disparity is plain. Goldstone said a number of Moslems would be

named within weeks.

Among those indicted so far, the most wanted must be the Bosnian Serb leader Radovan Karadzic and his military commander General Ratko Mladic. They are accused of complicity in genocidal murder of up to 8,000 men after the capture of Srebrenica, for a sniping campaign which killed thousands more civilians in Sarajevo, and for atrocities committed throughout Bosnia.

Both men are still at large, and apparently still in power despite the Dayton peace accord. For, in this conflict, unlike the second world war, there have been no clear winners and losers to make the capture and interrogation of war criminals simple.

Some say Judge Goldstone has an impossible task. He does not agree. "This is an incremental process, and I'm a patient person," he said. "It's a question of the international community being prepared to impose its will on governments that don't co-operate."

"But to leave war criminals in place... If that isn't calculated to prolonging war, then I don't know what is."

If the tribunal is beginning to show its teeth, that is largely due to Richard Goldstone. For instance, he has personally lobbied to secure greater co-operation from Nato commanders who were reluctant to jeopardise the fragile truce by hunting down suspected war criminals.

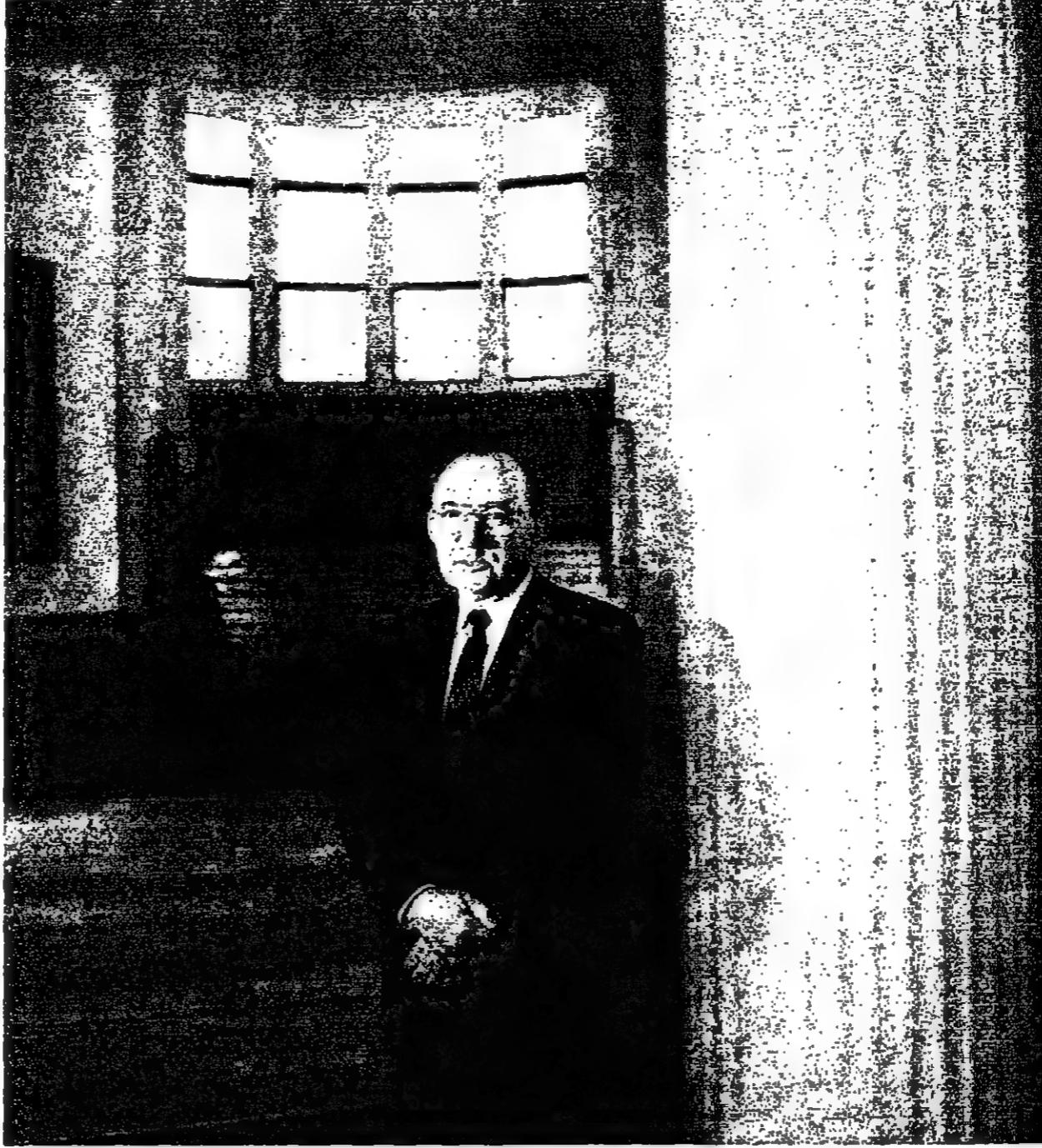
Goldstone's tribunal is targeting the higher-ups in the conflict - the men who gave the orders - in the interest of justice and not only because of a lack of court and prison space at The Hague. Junior defendants he will leave to be dealt with by national courts.

The prosecutor refused to say whether any of the presidents of the three warring republics, now co-signatories of the Dayton peace accord, were themselves under investigation.

I asked: Are you afraid that some of those regarded most responsible will escape because it will be politically convenient?

"Not if we do our job properly."

You need the help of others to do it properly.



Richard Goldstone: "Fundamental to all forms of justice is official acknowledgement of what happened"

Roger Garrett

"We're getting it - more and more."

He claimed that "no decent government" would press for waivers and added: "I can assure you if any government brought political pressure on this office, I would make that public." Would you quit?

"I never believe in making those sorts of threats. It's really hypothetical and very imprudent."

In 1990 he investigated the police shooting of 18 people and the wounding of 281 at an anti-apartheid march in Soweto, Transvaal. Then he was asked to report on the death in custody of a boyfriend of the Mandelas' daughter - it proved to be a case of suicide.

Most famously, he chaired the commission of inquiry into allegations that a "third force" inside the South African security apparatus was smuggling weapons to Inkatha for use against the African National Congress.

Goldstone's interest in human rights goes back to his student days when he began to meet people who had suffered racial discrimination.

"Certainly by South African standards," he replied with a laugh. "I suppose by international standards I was pretty much in the centre. I had strong feelings about the evils

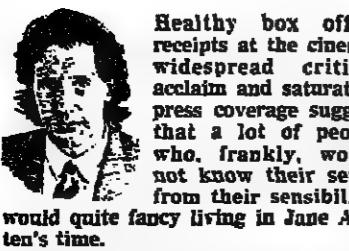
of racial and gender discrimination - any form of irrational discrimination."

I asked him if his Jewish background was relevant.

"I'm often asked that. And I

Peter Aspden

Sense and sensibilities at the skip



Healthy box office receipts at the cinema, widespread critical acclaim and saturation press coverage suggest that a lot of people who, frankly, would not know their sense from their sensibility, would quite fancy living in Jane Austen's time.

It has an appealing simplicity, I suppose. The frocks and hairstyles may have left something to be desired, but how nice it must have been to have flitted around this world of icy bon mots and wholesome architecture.

And how silly they all were. If you were a man, you could cause a scandal by calling unannounced on a lady; if you were that lady, you could cause one of your own by deciding to go to the opera unaccompanied. What clean, under-stated fun!

And take Sunday mornings. A simple affair indeed. There was only one thing to do: go to church. Once there, you could address the subtleties of choosing your companions, composing

a resonant one-liner with which to dismiss the sermon, and having a good old gossip about those frocks and hairstyles that were just that little bit more monstrous than your own.

All these pastoral images flashed in my mind as I discovered a new Sunday morning ritual of my own last week. It was dirty, laborious, quintessentially urban, mildly decadent, and the very antithesis of JA's universe: getting to the skip on time.

Skips, for the benefit of those readers who don't know, are ugly, inverted pyramid structures designed to collect the flotsam of contemporary life and cart it away to who knows where. You are never far away from a skip in central London. They are provided by local authorities anxious to keep the streets clean and keen to show off their minimalist organisational skills. I even received a timetable to tell me when my next empty skip was due. Sunday morning, 9.15, it said. So there I was.

What did I expect? Just a moment or two of quiet solitude with my broken chair, which has supported me through several years beyond its intended life

cycle; a chance to hunker the chair routine, due to become an Olympic demonstration sport in 2008; a symbolic purging of the past, an exuberant display of disregard for material objects. It was to be a special moment. What I found was an entire crowd of fellow residents - at 9.15 on a Sunday morning, remember - with similar intentions, though perhaps a shade less pretentious. They were in no mood for sentimental reflection: "*Tzazak!*" went a soft, *Edoqay* responded an armchair. I hastily joined the party, a feeble "Crank!"

We all smiled at each other. We were shedding our inhibitions along with our personal histories. Before 9.30, there was enough for a sitting room in our skip, a cubist three-piece suite, insides-out and back-to-front. Some churlish latecomers contributed with some meaningless planks of wood and piping. Cubism turned into abstract expressionism. By 9.45, our skip was full and bloated with rubbish.

More skip-loaders arrived. Lacking the hurling skills to add to the pile, they left votive offerings all around, in

the gutter, cluttering the footpath. But the skip-loaders were soon followed by the skip-scavengers. They took away from the skip. They needed things. They, too, had studied the timetable. One did not have to be a liberal soffie to find the scene poignant; although one could just as well have admired this unusually robust example of demand and supply staring each other in the face.

On my way back home I passed through a small park, built in the 19th century by a local landowner to honour his family. It was full of drunks.

Friendly drunks, but not the kind of

people with whom you would happily swap ironic observations. What, I wondered, would the landowner have thought of his family's honour?

As Sunday morning rituals go, this

all proved more bracing than many a sermon I have listened to. One does not have to step far outside one's front door for similar examples. Which, no doubt, is why we all want to be Jane Austen characters, tellingly raising our eyebrows and spraining our delicate ankles in a far, far gaudier world.

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Weekend Investor

Wall Street

Ground Control calling Major Dow...

Lisa Bransten wonders how much longer US stocks can stay in their present orbit

Somewhere in outer space floats the satellite that came unbound from the space shuttle Columbia this week and now orbits the earth uncontrolled. Eventually, it will lose momentum and burn up as it re-enters the earth's atmosphere.

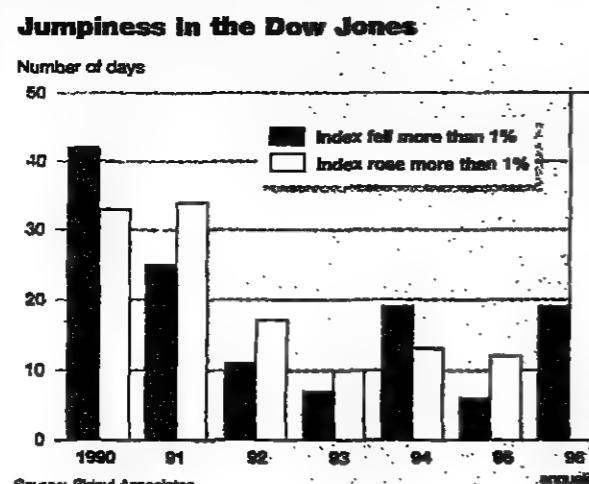
Back on earth much debate is taking place about whether a similar fate awaits the US stock market, which tumbled through the first four days of this week after spending most of the past four months emulating a rocket freed from the burden of gravity. Unlike Columbia's satellite, however, it remains tethered by trading collars meant to prevent it from spinning off into space.

So far this year, the collars that take over when the Dow Jones Industrial Average strays more than 50 points above or below its opening levels have been triggered 20 times, compared with just 20 times in all of last year. These mechanisms, which restrict programme trading, were put in place in August 1994 to prevent another computer-driven crash like 1987's one-day drop of more than 500 points, and they were triggered in every session from February 16 to February 23.

Of course, a 50-point move is not what it used to be. About this time last year, a change of 50 points represented 1.3 per cent of the blue chip index, now, 50 points isn't even 1 per cent. But that the restrictions have been used so often points to an extraordinary jump in volatility.

Jeffrey Rubin, of Birinyi Associates, reckons that the Dow would, at its present pace, end with a gain or loss of more than 1 per cent higher or lower on 60 out of this year's 232 trading days, compared with 18 moves of more than 1 per cent last year and 32 in 1984. That kind of volatility has not been seen since 1987 when the Dow moved more than 1 per cent in nearly half of the year's trading sessions - and everyone knows what happened in October 1987.

But market strategists are hesitant to point to a year's erratic trading as a definitive sign that the end is near. For starters, the majority of trading restrictions this year have been put in place to slow a rising market and, in the first two months of the year, the Dow has risen more than 7 per cent, even after last week's loss of about 120 points by mid-



day yesterday. "It's a warning sign, I wouldn't say it's a conclusive warning sign," Eric Miller, chief investment officer at Donaldson, Lufkin & Jenrette, says. Although he does not think the stocks are entering a long-term bear market phase, he does think there is more room on the downside, especially with next month's first quarter reporting season coming up quickly.

Often, companies try to head off disappointments over earnings by issuing profit warnings well before they are due to issue their quarterly results, and a wave of pessimistic outlooks for corporate profits could have quite a strong dampening effect on the market. And, already, such worries are beginning to take their toll on the technology sector.

Yesterday, Compaq Computer warned that increasing competition was hurting its sales and margins, which sent its shares tumbling 5.7% (or 15 per cent) at 43.4% and spread shock waves through the entire personal computer sector. That led to a steep drop in shares of IBM, the Dow's price issue, and thus sparked a 44-point drop in the index. By lunchtime, however, the jittery shares had reversed course and blue chips had managed a gain of 15.4 at 5301.16.

Byron Wein, who has been among the market's most bullish cheerleaders, cites the volatility as one reason behind last week's step of increasing the cash position in his model portfolio to 10 per cent from 5 per cent, thus decreasing his suggested investment in equities to 90 per cent. Wein says he is not turning bearish - for

Dow Jones Ind Average

Monday	5,585.10 - 65.29
Tuesday	5,549.21 - 15.98
Wednesday	5,506.21 - 43.00
Thursday	5,485.62 - 20.59
Friday	

Barry Riley

Vote now, we'll bill you later

Politicians are taking on obligations they may not be able to honour

Beleguered governments are battling to survive at elections around the world.

Today's knife-edge poll in Australia will be followed by a general election in Spain tomorrow. Italy votes next month and then Boris Yeltsin will battle against the odds for the Russian presidency. Meanwhile, the US presidential election campaign has embarked upon its prolonged rituals.

Britain's own John Major narrowly escaped facing a vote of no-confidence this week. But the chances of a summer or autumn general election are growing.

There is no common swing of the pendulum to the right or left in all this. The main theme is that sitting governments are deeply unpopular. Bill Clinton might be the exception to this, thanks largely to the disarray among his Republican challengers. But, in too many countries, the experience is likely to be much like that of France last year: a struggling administration swept away by an opposition making promises it cannot keep, and itself heading straight into trouble.

That spells uncertainty for the financial markets, and the rise in political risks has been an important element in the shake-out in global bonds during February - a month in which the yields on long-dated

government securities in many countries, ranging from Germany and the UK to Japan and the US, rose by more than half a percentage point.

Governments throughout the developed world are struggling with the consequences of low growth. Projected tax revenues persistently under-shoot and social security claims are rocketing. Prudent politicians might attempt to reduce the expectations of electorates but you do not easily win elections by promising, for instance, to cut pensions. Winners must peddle a message of hope.

In the UK there is Kenneth Clarke, the chancellor of the exchequer, blandly forecasting 3 per cent growth for 1996 - although he will be lucky if it is much above 2 per cent.

Public borrowing targets are slipping all the time out of reach. As for the Labour party, still apparently 30 per cent ahead in the public opinion polls, there are vague promises of acceleration of growth through higher investment although - don't worry - it will all be within a financially prudent framework.

That, at any rate, is the official "New Labour" approach. But a truce has reached me from Unreconstructed Labour, in the shape of Austin Mitchell's Labour Economic Policy Group, which argues that the UK's disappointing economic

cent annual growth without any "serious" problems with inflation.

It is a typical fantasy of politicians at Westminster to believe that juggling with monetary policy can transform the economy. But, if growth is to be fostered, there must be high returns from new investment and great flexibility in the labour market and the planning environment. Let us be realistic, though: the national uproot caused by a modest road-by-pass around the Berkshire town of Newbury shows just how anti-growth the country has become.

Yet the political temptation to dash for growth is strong.

performance can be blamed almost entirely on "hard money" policies. Those of us who regard sterling as a soft currency drifting near its all-time low, as measured by the Bank of England's trade-weighted index, will find this somewhat surprising. The LEPG thinks the UK could devalue its way to 5 or 6 per

long run, be able to honour.

The political pattern is repeating itself. In France last year, Jacques Chirac had to cast aside some of his election promises, as well as a finance minister, and seek to trim his government's social security burdens. If the conservative Partido Popular wins power in Spain tomorrow from the socialists, it will similarly face a formidable challenge in tightening fiscal policy in order to move the country somewhere nearer to fulfilling the Maastricht convergence criteria.

Governments, like all feckless spenders, are slow to learn the harsh lessons of the debt markets. When they do not really need to borrow, unlimited sums are available.

When they are up against it, the price rises sharply. And at some point, not easily foreseeable, the markets will slam shut against them at their hour of greatest need. We are not very close to that point yet, but the early warning signs of a steepening yield curve and sharp fluctuations in bond yields are there to be seen.

At election time, though, politicians have more urgent issues on their minds. If they lose, the public finances will be someone else's problem, anyhow. If they win, they will surely find a solution, somehow. Meanwhile, the politicians know that the creditors have few votes.

London Blame bonds for the gloom

Philip Coggan looks back on a lacklustre February

Goodbye, February, and good riddance. A lacklustre period for equities saw the first calendar month decline in the FT-SE 100 index from June and only the second since the start of 1985. But this should be no surprise to historians. According to the Schwartz Stock Market Handbook, shares rose by an average of just 0.26 per cent in February over the 1919-1994 period, placing the month only eighth in the calendar rankings.

Much of the blame for the weakness last month must be attributed to global bond markets. The yield on the 30-year US Treasury bond, which had dipped below 6 per cent in January, briefly reached 6.5 per cent this week. A similar setback has occurred in the gilt market. By Thursday night, the yield on the benchmark 10-year gilt had climbed to 8 per cent, more than half a percentage point higher than its level at the start of February.

A conventional gilt rally yesterday, on the back of a weak survey of UK purchasing managers, helped ease the pressure on shares. Or perhaps the markets were simply relieved that February was behind them. Whatever the reason, Footsie rebounded 26.1 points, finishing the week at 3,732.7, near the top of its 1995 range.

Equities find it quite difficult to make progress when bond yields are rising: once investors eye the higher returns available from fixed income, they are tempted to switch from shares to bonds. By Thursday, the ratio between long gilt and equity yields had reached 2.22, its highest level since the start of 1985, so indicating that shares are looking relatively expensive.

The risks look even greater if the yield on shares is compared with that on index-linked gilts; the gap between the two is minimal (depending on which inflation assumption you use), historically a bad sign for shares.

The performance of Footsie does not tell the whole story, however. The FT-SE Smaller Companies index has outperformed the FT-SE 100 by 4.2 per cent since the start of the year. "The balance of growth in the economy in 1995 should favour smaller companies with a strong domestic focus, and we believe they will continue to outperform over coming months," says Richard Jeffrey, Charterhouse group economist.

Confirmation of the trend comes from statistics which measure the breadth of the market. Advancing stocks have outpaced declining stocks so far this year by a cumulative total of more than 5.00.

Bonds apart, the news was

not so bad for UK equities this week. The results season continued without any shocks from leading companies: figures from British Aerospace, General Accident and Standard Chartered were especially well received. The combination of its European downstream operations with Mobil helped

WILL markets decide that this cut is the last?

shares in British Petroleum, one of the market's largest companies, rally strongly towards the end of the week.

A potential bid for Trigalgar House from Norwegian shipping group Kvaerner also ensured that the takeover bandwagon kept rolling along, and speculation had returned to the banks and some of the remaining independent electricity companies by the end of the week.

The point of the cycle when bull markets end is, all too often, when investors realise that interest rates are set to rise. Since the start of 1977, UK base rates have fallen in 15 phases and have risen in 14. In the periods when interest rates were declining, the All-Share rose by an average 18.1 per cent; in the periods when they were increasing, the All-Share managed an average gain of just 0.89 per cent.

Eight of the 14 periods of rising base rates saw falls in the All-Share, compared with only two stock market declines in the 15 phases of rate reductions. (The periods are taken from the date of the last cut to the date of the last rise, and vice versa.)

What might cause rates to rise? Money supply growth has been stronger than the Bank of England would like and the latest tax cut will come into force in April, giving a boost to consumer wallets which will also be bolstered by building society distributions. The net effect, despite the recent signs of economic weakness, could be a UK rebound in the second half of the year.

In the perverse world of financial markets, this news, good for the rest of the population, could be bad for investors.

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WORLD STOCK MARKETS

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UNITED STATES (Mar 1/ US\$)									
14 yrs close)									
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As builder of the Space Shuttle and its main engines, Rockwell continues to explore the frontiers of space



INDICES

	Mar 1	Feb 29	Feb 28		1995/96	
				High	9/95	Low
Argentina						
General(29/12/77)		(4) 15878.55	16307.55	18191.55	31/1/95	9831.05 9/95
Australia						
All Ordinaries(1/1/80)	2313.0	2290.0	2265.7	2313.00	1/3/95	1823.30 8/95
All Mining(1/1/80)	1084.2	1045.6	1030.4	1084.20	1/3/95	778.30 8/95
Austria						
Credit Aktien(30/12/84)	382.18	379.34	380.41	385.42	2/1/95	328.50 27/10/95
Traded Index(2/1/91)	1074.02	1068.99	1077.82	1084.95	7/2/95	882.15 23/10/95
Belgium						
BEL20(1/1/91)	1710.60	1688.86	1652.60	1715.74	1/2/95	1271.53 9/95
Brazil						
Evespa(31/12/83)	(4) 49577.0	51933.0	54108.00	52295		21382.00 9/95
Canada						
Metal, Minis(1/1973)	(4) 5146.35	5121.73	5370.35	58256		3606.00 10/95
Comexos(4/1975)	(4) 4933.72	4947.30	5068.88	142/96		3881.41 30/7/95
Portfolios(55/4/1983)	(4) 2395.20	2405.83	2406.97	52/95		1952.35 30/7/95
Chile						
IGPA Gen(31/12/90)	(4) 5586.23	5583.45	6285.10	11/7/95		4578.50 9/95
Denmark						
Copenhagen(5/1/83)	389.58	387.61	387.89	381.35	13/2/95	338.81 23/3/95
Finland						
HEX General(29/12/90)	1631.76	1610.40	1625.43	2352.22	14/9/95	1555.30 29/3/95
France						
SBF 35(31/12/90)	1371.09	1365.08	1354.91	1321.05	1/2/95	1184.41 13/3/95
ACI 4031(1/12/87)	2017.19	1980.77	1996.89	2024.00	1/2/95	1721.14 23/10/95
Germany						
FZ Aktien(21/12/90)	883.97	879.28	878.80	882.97	1/3/95	708.87 30/3/95
Daxmark(1/12/93)	2562.9	2546.9	2541.2	2582.89	1/3/95	2018.70 30/3/95
DAX(30/12/91)	2501.22	2473.55	2472.50	2501.22	1/3/95	1910.98 28/3/95
Greece						
Athens SE(31/12/80)	1017.31	1002.91	998.52	1017.21	1/3/95	787.15 16/3/95
Hong Kong						
Han Sang(31/7/94)	11194.94	11125.68	11284.65	11854.95	16/2/95	8887.50 23/1/95

US INDICES

Dow Jones	Feb 23	Feb 26	Feb 27	1955/56 High	1955/56 Low	Since completion High	Since completion Low
Industrial	5485.62	5506.21	5548.21	5636.46 (2/21/56)	5032.86 (10/17/55)	5800.48	41.22 (2/17/52)
Basic Goods	104.83	104.93	105.15	108.00 (4/27/56)	93.63 (1/16/56)	108.77	54.98 (1/16/51)
Transport	2051.58	2046.18	2042.82	2111.37 (2/27/56)	1473.19 (1/16/56)	2111.37	12.32 (2/27/52)
Utilities	219.45	221.26	221.17	234.00 (2/27/56)	183.00 (1/16/56)	234.46	10.50 (2/27/52)
DJ Ind. Div's High 5532.21 (2/26/57) Low 5440.46 (5/6/57) (1/16/56)							
DJ's High 5532.76 (2/26/56) Low 5451.71 (2/26/56) (1/16/56)							
Standard and Poor's							
Composite	640.43	641.75	647.34	651.45 (2/27/56)	629.71 (1/16/56)	654.45	4.46 (1/23/52)
Industrial	753.34	759.78	762.82	771.23 (2/27/56)	546.26 (1/16/56)	771.23	3.62 (2/27/52)
Financial	65.15	66.63	68.55	69.00 (2/27/56)	41.64 (1/16/56)	67.40	5.54 (2/27/52)
NYSE Comp.	342.80	344.92	345.95	351.20 (2/27/56)	289.73 (1/16/56)	361.75	4.46 (2/27/52)
Average Div Yield	582.80	585.68	585.85	591.00 (2/27/56)	433.12 (1/16/56)	591.18	20.31 (2/27/52)
NYSE Div Cap	1180.05	1187.54	1188.17	1191.73 (2/27/56)	740.58 (1/16/56)	1177.70	54.67 (2/27/52)
PER RATIO							
				Feb 23	Feb 16	Feb 9	Year ago
Dow Jones Ind. Div. Yield				2.12	2.16	2.13	2.89
				Feb 26	Feb 21	Feb 14	Year ago
S & P Ind. Div. yield				1.89	1.98	1.97	2.26
S & P Ind. P/E ratio				20.83	19.93	20.07	19.80
THE NEW YORK ACTIVE STOCKS					■ TRADING ACTIVITY		

AMERICA

US stocks in volatile midsession trade

Wall Street

Furniture sales had been higher due to pent-in demand in the UK over Christmas, the winter's most substantial in an overall trend.

EUROPE

Corporate deals steer Paris through 2,000

Asia Pacific

Bourses offered a variety of responses to the Dow's afternoon volatility. PARIS broke convincingly through the 2,000 level as foreign institutions, particularly from the US, entered the market. The CAC-40 index closed with a gain of 26.42 to 2,017.49, for a week's rise of 2 per cent. Turnover was FFr 5.5bn.

Dealers believed that the positive reception for the Charleroi merger announcement earlier in the week, and the takeover bid by Paribas for Navigation Mixie, had joined with the most recent recovery in the dollar to boost confidence in the market. Charleroi closed up 1.8% to FFr 38.8 at FFr 4.80 to FFr 28.40.

Schneider featured with an impressive rise as a number of block trades were transacted; raising speculation that a stake was being built, possibly by a German company. The stock gained FFr 8 to FFr 230.

FRANKFURT had a fine time in the morning, breaking through 2,500, but a recovery in bounds and the dollar ran into a slide in the Dow in late afternoon and the Dax index closed only 5.67 higher at an otherwise indicated 2,488.35, up 1.6 per cent on the week.

Turnover rose from DM10bn to DM16.8bn. Stocks which

had most of their early gains included Mannesmann, DMG 20 higher at DM385.45, and Thyssen, DMG 25 better at DM290.20.

A mid-February note from Mr Martin Slenderbrook at Merrill Lynch said that engineering stocks, including steel and autos, were likely to outperform the Dax. Mr Slenderbrook also said that Mannesmann had "enormous" restructuring potential.

However, a former growth stock came to grief, with Escom, the computer manufacturer and retailer, coming back from suspension to a tumble of DM2.65, or 17.4% per cent, at DM13.80 as the expected group loss expanded from DM45m to DM126m in the space of a week.

ZURICH marked UBS shares SFr 28 higher at SFr 1,200, on speculation that the long war of words between the bank and its dissident shareholder, Mr Martin Ebner, was nearing

an end. Some analysts suggested that Mr Ebner's sale this week of registered shares to Mr Stephan Schmidheiny, the financier who has said that he would support the bank's board, indicated that Mr Ebner was preparing to give up his right over shareholder structure.

Other analysts were not convinced. "This share has been a permanent victim of speculation that has made for erratic moves over a long period of time," said one.

The broad market staged another advance, taking the SMI index up 30.7 to 3,885.5 and 2.7 per cent higher on the week. Insurers continued to find favour with Zurich up SFr 10 to SFr 287 and Swiss Re adding SFr 10 to SFr 227.

Schindler, however, dropped SFr 10 to SFr 1,250 in response to sharply lower 1995 profits.

AMSTERDAM continued its record breaking ways, the AKX

index rising another 3.37 to 561.59 for a gain on the week of 1.2 per cent. The session's main feature was Getronics, the computer services company, up FFr 11.20 to FFr 105.20 following a 22 per cent rise in its 1995 net profit and forecasts of a similar rise this year.

STOCKHOLM was propelled back to a record high by recoveries in Astra and Ericsson and the Affärsskolan index rose 2.1 to 1,986.6, up 0.8 per cent on the week. Astra rose SKR2 to SKR312 and Ericsson gained SKR3.5 to SKR160 while Pharmacia & Upjohn jumped SKR1 to SKR288 on a report that its drug, Fragnim, would be launched as a preparation against heart attacks. Celsius outperformed its recent advance, rising SKR2.5 to SKR188.

BRUSSELS set a new all time intraday high of 1,719.84 before the Bel-20 index closed 30.74 higher at 1,710.60, up 3.3 per cent on the week.

Copeba, the Paribas unit, rose BFr 38 to BFr 1,180 although, after teasing remarks earlier in the week, it said that it had no plans to sell all or part of its 16 per cent stake in Power Corp of Canada. ISTANBUL advanced 2.6 per cent as hopes rose that a conservative alliance between the country's leading centre-right parties would be brokered.

WARSZAWA rose for the fifth consecutive session to close just below the high for the year. The Wig index rose 118.5 or 1.1 per cent to 11,147.0, and turnover by 24.6 per cent to 139.2m zlotys.

Siemens on Monday.

Latin America

MEXICO CITY was led higher by a rise in its ADRs traded on Wall Street. By midsession the IPC index was up 30.41 or 1 per cent at 2,862.55.

However, Cifra, one of the country's largest retailers, lost 9.7 per cent to 8.94 pesos after reporting a 12 per cent fall in its 1995 profits.

SAO PAULO recovered some of Thursday's losses in early trade as investors looked for bargains. By midday the Bovespa index was up 1,109.11 or 2.2 per cent at 50,587 in turnover of BRL2.7m.

IN BUENOS AIRES the Mercado index was up 15.81 or 2.2 per cent at 511.59 by midday.

Tricky path through the political labyrinth

John Simkins on the outlook for Milan equities

money on small transactions.

Another innovation in Milan – the introduction last month of options on six individual stocks, including Fiat and Generali – also had a quiet start, with disappointing trading volumes. Traders have stayed with Milan's traditional options market, which continues to parallel.

At the depths of its lethargy

over the past fortnight the market could only muster interest in stocks subject to rumours such as Cir and Cofide, the holding companies of

Mr De Carlo Di Benedetto who

was reported to be interested in selling a 28 per cent stake in Valeo, the French car components manufacturer. Speculation that Fiat planned to sell

to have sufficient advantage over the centre-right in forming a majority government.

Mr Alberto Rola of the Milan securities house Caboto warns that prospects are still not clear and he is advising clients to take a neutral approach. "However, if the possibility of a clear winner emerges there will be a rally in the bond market and the stock market will appear undervalued," he says. He does not expect as much optimism if the centre-right takes the upper hand: the right-wing National Alliance of Mr Gianfranco Fini, a key party in the bloc, is seen as subject to union pressure and less likely to press ahead with privatisations.

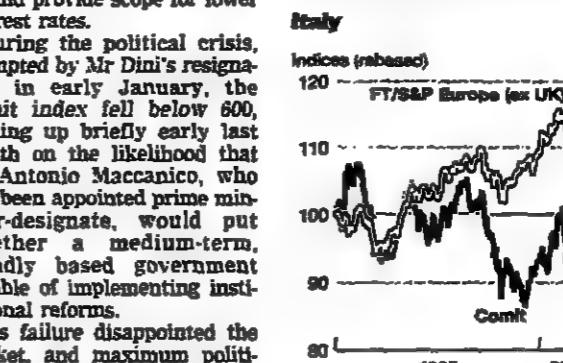
The key to the puzzle, says Mr James Cornish of NatWest Markets in London, is whether the centre-left, grouped round the Party of the Democratic Left, can win a majority that does not depend on support from the Northern League or Reconstructed Communism.

If Mr Dini's party were to

take 5-10 per cent of votes away from the right, the centre-left might win a majority that would enable it to concentrate on Mr Dini's economic policies, with the prospect of lower inflation. "We regard the market as under-valued and if the spread with yields on German bonds were to come down and inflation was under control this would attract investors," says Mr Cornish.

Under these circumstances Mr Luca Comi, of InterEuropa, sees the Comit index rising as high as 700 by the end of next month – 800.64 last February and it stood at 611.00 yesterday. He wants to see January's promising inflation figures confirmed.

Foreign investors, in particular, will take heart at any signs of coherent ties between Mr Dini, Mr Maccaiano and other figures of the centre and at good relations between them and the left. If there is tension between Mr Dini and Mr Romano Prodi, the Olive Tree's candidate for premier, that would tell against the centre-left. The road ahead is indeed strewn with "ifs".



written and edited by William Cochrane, Michael Morgan and John Pitt

The composite index added 1,589.57 to \$2,126.39, recovering from Thursday's 1.8 per cent loss and up 15 per cent since February 15 when the market closed for a nine-day holiday, re-opening last Monday.

PRAGUE rose strongly helped by a gain in Ceska Sporitelna of Kcs10 to Kcs20. Sporitelna had gained 19 per cent on the week following its announcement that it would issue \$30m to \$40m in Global Depository Receipts by the middle of the year. The PX30 index made 2.6 to 473.8, a week's rise of 2.5 per cent.

STOCKHOLM was propelled back to a record high by recoveries in Astra and Ericsson and the Affärsskolan index rose 2.1 to 1,986.6, up 0.8 per cent on the week.

Its failure disappointed the market and maximum political uncertainty combined unluckily with the introduction of five-day cash settlement, which has temporarily made the market less liquid.

WARSAW rose for the fifth consecutive session to close just below the high for the year. The Wig index rose 118.5 or 1.1 per cent to 11,147.0, and turnover by 24.6 per cent to 139.2m zlotys.

"Milan is a very speculative market and the absence of a developed stock lending facility has caused problems for brokers going short," says Mr John Stewart of InterEuropa, a Milan broker. At the beginning of the week, before Mr Dini's announcement and a stronger lira slightly animated trading, turnover was little higher than £300m a day, compared with an average of £300m in the first two weeks of February.

Mr Stewart expects the shorter settlement period, compared with the previous system which required settlement during the stock exchange calendar month, to work against retail investors so long as under-developed stock lending impedes brokers from making the second half of last year.

Among these fast-growing manufacturers and exporters, Brembo, which makes brake systems and other motor components, is trading at its peak of nearly L22,000 compared with its placement price last July of a little over L12,000.

But the yardstick for Milan in the run-up to the April 21 election will be the extent to which the centre-left appears

SOUTH AFRICA

Johannesburg's industrial and gold shares staged a modest late advance but trade remained cautious ahead of the March 13 budget. The overall index was up 7.4 at 6,712.5, industrials rose 17.1 to 8,323.4 and the golds gained 11.0 to 1,797.1.

LONDON EQUITIES

RISES AND FALLS

	On Friday						On the week					
	Rises	Falls	Same	Rises	Falls	Same	Rises	Falls	Same	Rises	Falls	Same
Subsidy Funds	59	2	9	134	148	70						
Other Fixed Interest	8	1	5	6	20	41						
Mineral Extraction	87	48	65	486	227	407						
General Manufacturers	175	93	388	783	587	1,946						
Consumer Goods	76	30	133	271	202	704						
Services	143	51	307	459	1,247	1,247						
Financials	24	18	18	41	18	31						
Investment Trusts	126	41	329	545	341	1,139						
Others	40	45	54	221	242	234						
Total	816	385	1,015	3,487	2,890	8,031						

Data based on those companies listed on the London Share Service.

TRADITIONAL OPTIONS

First Dealings

Last Dealings

Feb 18 Mar 1 May 18

Expiry Settlement

May 23

Call: Card Clear, Christiaans, Gray Elect, North Ports, Prost Grp, Holmes Merchant, Ludwicks, Lewis, Queens Most, Put Spring Ram, Pura & Cates: Prost Grp.

LONDON RECENT ISSUES: EQUITIES

Issue Amkt Mkt. Date 1000/96

Code Price Net Div. Drs. Cov. Yld. Net

Date Up (2nd) High Low Stock

On Friday

Amount Paid Return, %

High Low

Stock

Close Price p. + or -

Last

Net Total

Dividends

Stocks

Total

Stocks

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and set out through the Stock Exchange Tickers system, they are not in order of execution, but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

* Bargains at special prices. ♦ Bargains done the previous day.

British Funds, etc 002067

Treasury 13 1/2% Gld St 1999 - E124

Exchequer 10 1/2% St 2005 - E116.4

Guaranteed Export Finance Corp PLC

12 1/2% Gld Ltr 2002 Reg - E122.5

Corporation and County Stocks

London County 25% Cons St 1892/93 after - £26 (Refined)

Metropolitan City on 11 1/2% Red Stk 2007 -

£114.4% pdx-262

UK Public Boards

Metropolitan Water Metropolitan Water 3% A Stk 63/2003 - £75

Commonwealth-Government

South Australia 3% Cons Stk 1916/17 after - £27

Foreign Stocks, Bonds, etc (coupons payable in London)

Abbey National Sterling Capital PLC 5 1/2% Subs Gld Reg 2002/2003 - £102.4

Abbey National Treasury Series PLC 5 1/2% Gld Stk 1995/1996 - £102.4

Abbey National Treasury Series PLC 5% Gld Stk 1995/1996/2000/2001/2002/2003 -

£104.4

Abbey National Treasury Series PLC 6% Gld Stk 2002/2003 Val - £103.45

Abbey National Incorporated 4% Gld Bds 2001/2002/2003 - £104.76

ASDA Group 5% Gld Bds 2002/2003 - £105.01

Australian Commonwealth of 10 1/4% Bds 1997/1998/1999/2000/2001/2002/2003

BAA PLC 5 1/2% Cons Stk 2006

Barclays Bank 5 1/2% Gld Stk 2005

Barclays Bank 5 1/2% Gld Stk 2006

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MARKET REPORT

Interest rate optimism drives equities higherBy Steve Thompson,
FT Stock Market Editorwith Mr Eddie George, governor of
the Bank of England, next Thursday.

The London market's recent preoccupation with Wall Street's string of turbulent performances was set aside yesterday as UK shares surged ahead on growing expectations of interest rate cuts.

The rate cut hopes, which have been on the back burner recently,

emerged strongly yesterday in the wake of the latest US Purchasing Managers' index which came in at a disappointing 49.8 per cent, against January's 50.3 per cent.

Mr Kenneth Clarke, chancellor of the exchequer, is scheduled to attend his regular monthly meeting with Mr Eddie George, governor of the Bank of England, next Thursday.

now only 2.7 short of its previous closing high, reached on February 2, and 3.9% off its all-time intraday high.

Yesterday's rise enabled the Footsie to post a 124 point gain in a week when the government's vulnerability in the House of Commons was put to the test by the debate on the Scott report.

Once again the second line stocks, which have outpaced the leaders this year, came up with the goods, with the FTSE Mid 250 cruising up a further 21.4 to 4,236.4, yet another all-time high.

The Mid 250's latest sparkling showing reflected the large numbers of interest rate sensitive stock

in the index, notably the builders and numerous consumer stocks. And the prospect of more bids emerging in the utilities sectors was another driving force.

The bid speculation was not confined to the second-liners. Traders insisted a FTSE 100 takeover was being prepared. All the usual suspects were trotted out: Cadbury Schweppes, Laxmo and Royal Bank of Scotland, although other dealers remained sceptical.

It was one of the utilities, North West Water and Norweb, that topped the Footsie table, climbing 3 per cent, helped by talk of a broker buy recommendation.

Yorkshire Electricity was again seen as a strong contender to attract the attentions of a bidder in the very short term, and the shares rose up over 5 per cent.

There were disappointments, however, as drinks stocks gave ground after broker downgrades, while news that the DTI had referred the Unilever bid to the Monopolies and Mergers Commission and asked the European Union to scrutinise the Gebe bid, saw Lloyds Chemists shares plunge 5 per cent.

Turnover in equities continued to give comfort to the City's broking firms; at the 6pm reading, volume reached 803.2m shares. Retail business on Thursday was worth £1.7bn.

TRADING VOLUME IN MAJOR STOCKS

	Vol. 000s	Closing Day's vol. change	Vol. 000s	Change Day's vol. change
FTSE 100	516	-402	-1	-
FTSE 250	15,000	104%	-1	-
FTSE 400	5,200	+105%	-1	-
FTSE 450	3,000	+1%	-1	-
FTSE 500	511	+1%	-1	-
FTSE 600	2,500	+16%	-1	-
FTSE 800	1,200	+1%	-1	-
FTSE 900	700	+1%	-1	-
FTSE 1000	470	+2%	-1	-
FTSE 1250	1,200	+2%	-1	-
FTSE 1500	710	+10%	-1	-
FTSE 1800	2,200	+1%	-1	-
FTSE 2000	9,100	+1%	-1	-
FTSE 2500	3,600	+15%	-1	-
FTSE 3000	8,800	+1%	-1	-
FTSE 3500	3,200	+1%	-1	-
FTSE 4000	1,200	+1%	-1	-
FTSE 4500	900	+1%	-1	-
FTSE 5000	1,200	+1%	-1	-
FTSE 6000	1,200	+1%	-1	-
FTSE 7000	1,200	+1%	-1	-
FTSE 8000	1,200	+1%	-1	-
FTSE 9000	1,200	+1%	-1	-
FTSE 10000	1,200	+1%	-1	-
FTSE 12500	1,200	+1%	-1	-
FTSE 15000	1,200	+1%	-1	-
FTSE 18000	1,200	+1%	-1	-
FTSE 20000	1,200	+1%	-1	-
FTSE 25000	1,200	+1%	-1	-
FTSE 30000	1,200	+1%	-1	-
FTSE 35000	1,200	+1%	-1	-
FTSE 40000	1,200	+1%	-1	-
FTSE 45000	1,200	+1%	-1	-
FTSE 50000	1,200	+1%	-1	-
FTSE 60000	1,200	+1%	-1	-
FTSE 70000	1,200	+1%	-1	-
FTSE 80000	1,200	+1%	-1	-
FTSE 90000	1,200	+1%	-1	-
FTSE 100000	1,200	+1%	-1	-
FTSE 125000	1,200	+1%	-1	-
FTSE 150000	1,200	+1%	-1	-
FTSE 180000	1,200	+1%	-1	-
FTSE 200000	1,200	+1%	-1	-
FTSE 250000	1,200	+1%	-1	-
FTSE 300000	1,200	+1%	-1	-
FTSE 350000	1,200	+1%	-1	-
FTSE 400000	1,200	+1%	-1	-
FTSE 450000	1,200	+1%	-1	-
FTSE 500000	1,200	+1%	-1	-
FTSE 600000	1,200	+1%	-1	-
FTSE 700000	1,200	+1%	-1	-
FTSE 800000	1,200	+1%	-1	-
FTSE 900000	1,200	+1%	-1	-
FTSE 1000000	1,200	+1%	-1	-
FTSE 1250000	1,200	+1%	-1	-
FTSE 1500000	1,200	+1%	-1	-
FTSE 1800000	1,200	+1%	-1	-
FTSE 2000000	1,200	+1%	-1	-
FTSE 2500000	1,200	+1%	-1	-
FTSE 3000000	1,200	+1%	-1	-
FTSE 3500000	1,200	+1%	-1	-
FTSE 4000000	1,200	+1%	-1	-
FTSE 4500000	1,200	+1%	-1	-
FTSE 5000000	1,200	+1%	-1	-
FTSE 6000000	1,200	+1%	-1	-
FTSE 7000000	1,200	+1%	-1	-
FTSE 8000000	1,200	+1%	-1	-
FTSE 9000000	1,200	+1%	-1	-
FTSE 10000000	1,200	+1%	-1	-
FTSE 12500000	1,200	+1%	-1	-
FTSE 15000000	1,200	+1%	-1	-
FTSE 18000000	1,200	+1%	-1	-
FTSE 20000000	1,200	+1%	-1	-
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FTSE 30000000	1,200	+1%	-1	-
FTSE 35000000	1,200	+1%	-1	-
FTSE 40000000	1,200	+1%	-1	-
FTSE 45000000	1,200	+1%	-1	-
FTSE 50000000	1,200	+1%	-1	-
FTSE 60000000	1,200	+1%	-1	-
FTSE 70000000	1,200	+1%	-1	-
FTSE 80000000	1,200	+1%	-1	-
FTSE 90000000	1,200	+1%	-1	-
FTSE 100000000	1,200	+1%	-1	-
FTSE 125000000	1,200	+1%	-1	-
FTSE 150000000	1,200	+1%	-1	-
FTSE 180000000	1,200	+1%	-1	-
FTSE 200000000	1,200	+1%	-1	-
FTSE 250000000	1,200	+1%	-1	-
FTSE 300000000	1,200	+1%	-1	-
FTSE 350000000	1,200	+1%	-1	-
FTSE 400000000	1,200	+1%	-1	-
FTSE 450000000	1,200	+1%	-1	-
FTSE 500000000	1,200	+1%	-1	-
FTSE 600000000	1,200	+1%	-1	-
FTSE 700000000	1,200	+1%	-1	-
FTSE 800000000	1,200	+1%	-1	-
FTSE 900000000	1,200	+1%	-1	-
FTSE 1000000000	1,200	+1%	-1	-
FTSE 1250000000	1,200	+1%	-1	-
FTSE 1500000000	1,200	+1%	-1	-
FTSE 1800000000	1,200	+1%	-1	-
FTSE 2000000000	1,200	+1%	-1	-
FTSE 2500000000	1,200	+1%	-1	-
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FTSE 8000000000	1,200	+1%	-1	-
FTSE 9000000000	1,200	+1%	-1	-
FTSE 10000000000	1,200	+1%	-1	-
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FTSE 80000000000	1,200	+1%	-1	-
FTSE 90000000000	1,200	+1%	-1	-
FTSE 100000000000	1,200	+1%	-1	-
FTSE 125000000000	1,200	+1%	-1	-
FTSE 150000000000	1,200	+1%	-1	-
FTSE 180000000000	1,200	+1%	-1	-
FTSE 200000000000	1,200	+1%	-1	-
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FINANCIAL TIMES

Weekend March 2/March 3 1996

The MALT

Clinton grants visa to Sinn Féin leader Adams

By Robert Peston and James Harding in London, Patti Waldmeir in Washington and John Kampfner in Bangkok

US President Bill Clinton last night agreed to give a visa to Mr Gerry Adams, the leader of Sinn Féin, the political wing of the IRA, against the wishes of the UK government.

The granting of a three-month, multiple entry visa follows an outburst by Mr John Major, the UK prime minister, on Thursday against the terrorist group's failure to renew its ceasefire.

The British government has recently said Mr Major would not try to intervene in any visa decision. However, ministers and officials have privately said they would have preferred Mr Adams to be barred from the US.

It is understood that Mr Adams will not be allowed to raise funds while in the US for St Patrick's day celebrations on March 17. He will also be barred from a White House party to mark the Irish holiday.

He will have meetings with US officials, but not the president or

secretary of state, and will not be allowed on US administration property. The visa is understood to be revocable if there are further bombings by the IRA.

A White House official said: "The president would not have taken the step of approving the visa if he did not believe, based on our contact with Mr Adams, that this could further the peace process."

A UK minister said last night the prime minister was unlikely to be incensed by the US decision, since the visa conditions reflected the end of the IRA's ceasefire.

The Ulster Unionists yesterday signalled they may not participate in the talks in Belfast, but only discuss plans for elections through meetings with ministers in Westminster.

Mr Ken Maginnis MP, the UUP spokesman on security, said: "We will not be at Stormont [in Belfast] on Monday. We will decide beyond that if it is necessary to be there."

Sinn Féin will have access to both UK and Irish government officials but will not be invited to attend the ministerial talks until the IRA announces a ceasefire.

There was also uncertainty last night about whether the US had

unilaterally imposed a ban on fund-raising by Mr Adams or whether he had failed to ask for the facility. There were reports that Mr Adams did not ask for permission to raise funds, so the issue did not arise.

In a further setback for Mr Major, it emerged yesterday that the biggest Northern Ireland party, the Ulster Unionists, are threatening not to co-operate in talks designed to choose the method for special elections in the province as a precursor to all-party negotiations.

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Gorbachev plans to stand for Russian president

By John Thornhill in Moscow

Mr Mikhail Gorbachev, the former Soviet leader who dismantled the country's totalitarian system, yesterday came out of retirement and declared he wanted to be the next Russian president.

Mr Gorbachev, seemingly loathed in Russia as much as he is lauded in the west, appears to stand little chance of success in the June election and has no formal party structure to support him.

A recent poll in the *Svoboda* newspaper placed him ninth in a list of possible presidential candidates with just 1 per cent support. Mr Gorbachev is blamed by many for undermining their economic success and destroying the Soviet Union's superpower status.

Nevertheless, support groups have raised 700,000 signatures and are confident of gathering the 1m needed to register Mr Gorbachev as an official candidate.

At a press conference yesterday, the former leader, who has been on the lecture circuit and presiding over a think-tank, made clear that he would stand.

Mr Gorbachev said he would still be prepared to step aside as a candidate if a stronger democratic challenger emerged and some observers doubted he would even contest the poll on June 18.

Mr Gorbachev condemned the Communist party which he once headed. But while many of Russia's elderly appear nostalgic for the simple certainties of the Soviet era, few appear to have retained much fondness for Mr Gorbachev. Nor do Russia's pro-western politicians seem likely to back the man who popularised perestroika.

Most Russian liberals are likely to support the candidacy of Mr Grigory Yavlinsky, a former Gorbachev aide who now heads the Yabloko faction and represents a younger generation of reformers.

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Mr Yeltsin returned as Russian president four years later to humiliate Mr Gorbachev by dissolving the Soviet Union and effectively making his erstwhile tormentor redundant.

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